

THE INDONESIAN QUARTERLY

Australia-Indonesia Relations: Facing the 21st Century

- Current Events
- Facing the 21st Century: Trends in Australia's Relations with Indonesia
- Australia-Indonesia Security Relationship
- The Australia-Indonesia Security Relationship: Confidence Building Measures in the Maritime Environment
- Australia's Defence Relations with Indonesia
- Australian Policy on the Future of Western New Guinea (Irian Jaya): A Historical Approach from 1945-1963
- ASEAN, the South Pacific Forum and the Changing Strategic Environment
- Book Reviews



The Quarterly

The Indonesian Quarterly is a journal of policy oriented studies published by the Centre for Strategic and International Studies (CSIS), Jalan Tanah Abang III/23-27, Jakarta 10160. It is a medium for research findings, evaluations and views of scholars, statesmen and thinkers on the Indonesian situation and its problems. It is also a medium for Indonesian views on regional and global problems. The opinions expressed in *The Indonesian Quarterly* are those of their authors and do not necessarily reflect the opinion of the CSIS.

The Logo



To better represent the underlying ideas that gave birth to the CSIS in 1971 the Centre uses as of 1989 the logo that figures on the front cover of this journal. The original, in bronze, designed by G. Sidhartha, it consists of a disc with an engraving that depicts the globe which serves as a background to a naked man with an open book laid on a cloth over his lap, his left hand pointing into the book, his right hand raised upwards. Altogether it symbolises the Centre's nature as an institution where people think, learn and communicate their knowledge to whoever are interested, to share it with them, mankind the world over being their concern and the globe their horizon. The nakedness symbolises the open-mindedness, the absence of prejudice, in the attitude of the scholars who work with the Centre, just as it is with scholars everywhere. The inscription reads "*Nalar Ajar Terusan Budi*," which in the Javanese language essentially means that to think and to share knowledge are only the natural consequence of an enlightened mind. It is a *surya sengkala*, that is *chandra sengkala*, a Javanese traditional way to symbolise a commemorable year in the lunar calendar, adapted to the solar calendar system. It consists in using words that express the perceived meaning of the commemorated year while marking the year at the same time, each word having a numerical value. Thus, the inscription, in reverse order, represents the year the CSIS was established: 1971.

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From the Editor

ON 21-24 April Prime Minister Paul Keating paid a visit to Indonesia. Visits by heads of state are not unusual, although this is the first one by an Australian prime minister, and is his earliest foreign tour after installation as head of state. Such a visit is not unprecedented, since then Premier Gough Whitlam also visited Indonesia after his installation, about two decades ago.

However, in view of the circumstances prevailing in the relationship between the two countries, Prime Minister Keating's three-day visit is indeed strategically important. It is no secret that Indonesia-Australia bilateral relations always ebb and flow and recently reached a low point following the Dili incident of November 12 last year. Furthermore, Australia is Indonesia's closest, largest, and most advanced neighbour, whose culture is also unique. Hence Keating's visit to Indonesia reveals the strategic importance that Australia places on Indonesia in its foreign policy and makes clear Australian determination to have better relations with its Asian neighbours, notwithstanding the circumstances mentioned above.

Usually visits by heads of states raise high expectations and hopes of improved bilateral relations between the countries concerned. However, the countries should be aware of the reality that prevails in the relationship and a case in point is Australia-Indonesia relations. There are certain factors that have constantly strained bilateral relations between the two countries. These factors if not properly attended to may lead to more frequent tensions and misunderstandings. Although the tensions are unlikely to turn into open conflicts or disappear, minimising those constraints will be very conducive to both countries' common interests.

For example, Indonesia and Australia have different perceptions, historical backgrounds, traditions, and cultures which in turn have led to differences in value and behaviour. Differing perceptions usually affect the relationship between countries. Accordingly, Indonesia's perception on Australia determines its policy vis-à-vis Australia and vice versa.

In fact, having differing perceptions between countries with regard to each other is quite normal. However, disregarding or exaggerating another country's perception is bound to create tensions. Therefore, both countries should make concerted efforts to understand each other's historical background, traditions and culture as mentioned earlier. In other words, as Paul Keating put it, "there is a need to identify the two countries' shared interests and to create institutional links which would consolidate progress" in the economic field and security; this statement may apply to the other realms as well.

Keating's visit seemed to augur well for the relationship between the two countries. Indonesia, for example, was willing to accept suggestions or even criticism if presented tactfully. Both countries have also agreed to promote military cooperation covering joint military exercises and military industrial development. The two countries have, among other things, signed agreements on criminal extradition, avoidance of double taxation, and fishery cooperation. The last is aimed at promoting cooperation in fishery research and development.

In addition, Paul Keating defended his country's "disproportionate attention" to East Timor and contended that it was due to "a natural consequence of the uniquely troubled history." As for East Timor, the region integrated into Indonesia in 1976, a year after Portugal abruptly terminated its four-century colonial rule there. The integration has yet to be recognised by the United Nations but Australia has since 1979 recognised it as part of Indonesia. However, to keep the readers abreast of additional aspects of the current state of Australia-Indonesia bilateral relations and their prospects in the face of the twenty-first century, the present issue of the *Indonesian Quarterly* is dedicated to this subject.

Daniel Setyawan

Current Events

Impressions of the Fourth ASEAN Summit Conference

Jusuf Wanandi

IN contrast with the brevity of the Third ASEAN Summit Conference held in Manila in 1987, this year's Fourth Summit Conference yielded decisions that will shape a new era of ASEAN cooperation. Interestingly enough, the summit conference itself was something of an anticlimax for the mass media because the main issues confronting ASEAN had been given extensive coverage in the weeks before. Still, this did not dampen the fact that the decisions made at the summit conference were both significant and timely: responding to the challenges facing ASEAN since the end of the Cold War, and carrying ASEAN to a higher level of cooperation. The decisions made at the summit concerned four sectors, including economics, security, social and functional cooperation, and strengthening of the ASEAN organisations needed to support the policies agreed upon.

In the economic sector, it was decided to initiate an ASEAN economic community, called the ASEAN Free Trade Area (AFTA), to be achieved in 15 years through the Common Effective Preferential Tariff (CEPT). While this time period has been fixed, its implementation is to be supervised by the Council of Ministers who, if called for, have the power to speed up the deadline. The principle of 6 minus x is also to be applied, wherein two or more members can go ahead of plan without having to wait for other members to agree.

Despite ASEAN's evident conviction to go ahead with AFTA, the question of ASEAN's seriousness about market-sharing and economic integration among its members was raised. This was certainly a valid question considering ASEAN's disappointing past experience with PTA, and

moreover, the fact that economic integration had not been an intention of ASEAN's founders. It was concluded that since a new phase in ASEAN economic cooperation is beginning, ASEAN should be serious about integration at these levels. This conclusion was an extension of the Singapore Declaration, in which it was said that economic and trade competition, including that posed by the EC and NAFTA (North America Free Trade Area), requires a courageous ASEAN response. Seen as an act of economic necessity, ASEAN's decisions at this Summit Conference thus gain credibility.

Security issues, which in the past had only been discussed *ad hoc* or as part of the background, were included in the ASEAN framework for the first time at the Fourth Summit. Of course, security matters have always been relevant to ASEAN. The concept of ASEAN itself arose as the Vietnam war raged on in Indochina. Since the outbreak of conflict in Cambodia in 1978, the issue of security has been an increasing focus of attention for ASEAN as well as at the ASEAN-PMC forum. In these cases the aspiration has been to end military conflict and prevent it from occurring again in the region. Now it is hoped that the problem of security will be included as an official part of the ASEAN agenda, prepared by the SOM (Senior Officials Meeting), and regularly discussed. In addition to other forums, it was decided that security would be a topic of discussion at AMM meetings. The important point being that for the first time the agenda of this sector would be prepared by the SOM which would from now on include representatives from the defence agencies of each ASEAN country.

Thus, ASEAN countries agreed that security dialogue will benefit regional peace

and stability. Furthermore, they decided that such dialogue would be enhanced through participation of the ASEAN-PMC partners (ASEAN member countries, USA, Japan, South Korea, Canada, Australia, New Zealand, and the European Community). Indeed, the ASEAN-PMC is the only regional institution that has ever discussed security policy.

In addition, The People's Republic of China and the former Soviet Union have been invited as special guests to the AMM (1991), as will be Vietnam and Laos as observers (1992), conditional upon their signing of the Treaty of Amity and Cooperation of 1976 (TAC). It is envisioned that the ASEAN-PMC will develop into a regional agency which regularly examines regional security policy. Matters which should be discussed include, for example, the regional impact of global changes following the end of the Cold War, regional CBM issues, and, at a later stage, even arms control.

This does not mean, however, that inter-ASEAN efforts and *ad hoc* attempts to settle conflicts will no longer be needed, as in the case of Cambodia, Korea and the Spratly Islands. The results of such efforts could be enlarged upon and supported by dialogue of the abovementioned ASEAN-PMC (e.g. region-wide dialogue).

The Fourth ASEAN Summit also accepted the desire of Southeast Asian states, like Vietnam and Laos, to sign the TAC. The concept of ZOPFAN, as put down in this treaty, has thus been accepted by these Southeast Asian states. Meanwhile, ASEAN as a whole reaffirmed that the ideas of ZOPFAN and SEANWFZ are to be maintained, incorporating necessary adjustments according to the changed global situation. The

next step for the TAC will be to acquire recognition through a UN resolution and thus be reinforced internationally. In this way, ASEAN will contribute to the UN's central role in maintaining international peace and security.

ASEAN has also begun cooperating in solving social problems. The summit recommended that functional cooperation be enhanced in education (secondary school to university level), the role of women in society, safeguarding the environment, health (including combatting AIDs), and combatting drug-abuse and drug-trafficking.

Finally, the fourth field of cooperation agreed upon at the summit was strengthening of the ASEAN institutions which will be responsible for implementing and supporting the cooperative efforts listed above. First of all, the summit will be held once every three years with informal summits in-between. This would mean that the summit conference is the supreme decision-making body, replacing the AMM. Meanwhile, the Joint Ministers Meeting will be chaired by either a Foreign Minister or a Minister of Economic Affairs. Foreign Ministers will, however, continue to head ASEAN.

The Standing Committee which regulates ASEAN's activities between the two AMMs is to be chaired by the Foreign Minister which also chairs the AMM, with the Director-Generals of ASEAN Affairs and the ASEAN Secretary General as committee members. The Secretary General will lead the meetings of the SC, with the exception of the first and the last meetings, which will be presided over by the SC Chairman.

The SEOM (Senior Economic Officials Meeting) will take over the duties of the committees in the economic sector and will be responsible for preparing the AEMM. The present committees in the economic sector (of which here are five) will therefore be dissolved. The Secretary General is to be promoted to a position equal to that of Minister and shall be elected from an open list of candidates. This will also be the case regarding recruitment for the Secretariat, while taking into consideration the quota permitted from each member state. The duties and authorities of the Secretary General and the Secretariat will be increased and their budgets raised.

In conclusion, one might say that the Fourth Summit Conference, like the Bali Summit of 1976, lays the basis for ASEAN to face the future. Generally speaking, the atmosphere at the summit was cordial; imbued with the spirit of cooperation and mutual understanding. Heads of state exchanged personal thoughts for the first time, and discussed international and regional developments and challenges facing ASEAN at length. They personally decided upon several matters themselves and adjusted ministerial proposals, particularly the schedule of the summit. The heads of state also made it possible for the condition stipulating that the CEPT be initiabile by at least two members, without requiring that all members proceed at the same pace, to be accepted. Personal involvement of the heads of state in the summit was an important development for ASEAN. By setting this precedent, there is promise that the heads of state will help lead the decision-making process, and by so doing will at once both strengthen and speed up ASEAN's decision-making abilities.

ASEAN and the Political Crisis in Myanmar

Vinsensio M. Dugis

ONLY after the political crisis in Myanmar has been going on for more than two months, have we begun to hear comments from officials of ASEAN. Malaysia for instance, through the Minister of Defence, Najib Razak, clearly stated that ASEAN must take collective steps to oppose the improper behaviour of Myanmar towards its Moslem minority group. "We should take the same attitude" said Najib to the reporters after the fund collecting ceremony for the group of Rohingya, a minority group of Myanmar Moslem refugees, who were forced to emigrate to Bangladesh to free themselves from the violent action of the military government of Myanmar.

Singapore has also expressed its concern about the consequences of the increasing number of Myanmar refugees who are flooding Bangladesh (and also Thailand). But so far no steps have been taken following this concern, although Singapore worries that the flood of Myanmar refugees might cause regional instability.

Meanwhile, Indonesia, through a statement of its Foreign Minister Ali Alatas,

clearly states its concern about the developments taking place in Myanmar. On Wednesday evening, 11 March 1992, External Affairs Minister Alatas said, "Indonesia reminds the Government of Myanmar to take the necessary steps to overcome the problems in connection with the Rohingya ethnic group, and face the basic problems connected with the flood of refugees to neighbouring countries" (*Jakarta Post*, 12 March 1992). Nevertheless, the Indonesian Government still considers the problem in Myanmar to be internal. But the latest developments show that there are international dimensions, which tend to affect the peace and stability in the Southeast Asian region.

Although still expressed in the form of concern, all the above mentioned statements have a political meaning. These are the first statements of the ASEAN governments to the latest developments of the political crisis in Myanmar. Although there are a number of statements, so far there has been no indication which shows that ASEAN will immediately take steps collectively, to find a way out to overcome the political crisis in Myanmar.

The impression is of the slowness of the ASEAN countries -- especially when acting

This article is translated from *Kompas*, 18 March 1992.

collectively -- to take steps to face the political crisis in Myanmar. Such an impression will grow stronger, taking into account that of late a number of Western states wanted ASEAN immediately to take collective steps to overcome the political crisis in Myanmar.

Several Reasons

The position of ASEAN, which calls for taking collective steps to overcome the political crisis in Myanmar, can be understood by considering the following ideas. *First*, the political crisis in Myanmar (the result of the repressive measures of the Myanmar military government, which has Burmese ethnic majority, against the ethnic minorities, such as Rohingya, Karen, Kachin and Shan) is no longer an internal affair. As a consequence of the military pressure of the Myanmar Government, Bangladesh and Thailand as Myanmar bordering countries are disturbed and troubled as a result of the flood of refugees to these two countries. Even in Bangladesh the flood of refugees from Myanmar, has caused tension between the armies of these two countries in their border areas.

The increasing number of refugees, and the tension in the border area between Myanmar and Bangladesh, are strong proof, that the political crisis in Myanmar not only harms the national interests (stability, unity and union) of Myanmar, but has also implications for the national interests of other countries. Therefore the problem is not only one of internal dimension for Myanmar, but also it has international dimensions or at least regional dimensions for the Southeast Asian region.

In such a context ASEAN, which until now has been considered a regional organi-

sation, that voiced concern for a stable Southeast Asia, undoubtedly feels the need to take steps to the political crisis in Myanmar.

Second, it becomes more obvious that the spillover of the internal problems of Myanmar, exert a negative influence on the stability of the region. If presently only Bangladesh and Thailand directly feel the consequences of the flood of evacuees, then is it not impossible that in the future India, China and Laos, which also share borders with Myanmar will also be invaded by evacuees. Furthermore, other countries in Southeast Asia will not become destinations for Myanmar ethnic minorities if they are treated in a repressive way. Stories of the courage of the Vietnamese evacuees who have scattered over various countries, will probably be a lesson for them, although many countries certainly do not hope to see the history of the "boatpeople" repeated.

The overflow of evacuees to the Southeast Asian region, and possibly to almost the whole of Asia, would create problems that ASEAN will want to prevent.

Third, the dimensions of the problem (religion, the ethnic groups, language and ideology) in the Myanmar crisis will possibly result in different reactions from certain groups in other countries. If this would happen in ASEAN countries, this would not be favourable for the cohesion of ASEAN. Disturbance of this cohesion would in turn make it increasingly difficult for ASEAN to take a collective attitude and steps for the solution of the political crisis in Myanmar.

Fourth, the experience of ASEAN, which has continuously searched for various ways to overcome the Cambodian conflict, could probably be a potential asset for ASEAN to

solve the political crisis in Myanmar. The world has not closed its eyes for this achievement of ASEAN. The credibility of ASEAN influence in Southeast Asia, has been acknowledged by several European countries that have put pressure on ASEAN to take political steps immediately to overcome the protracted political crisis in Myanmar.

Dilemma

Although there are reasons for ASEAN to find a solution to the political crisis in Myanmar, ASEAN still seems to be trapped in a dilemma. For ASEAN, there is the strong commitment to the view that internal affairs (domestic affairs) -- including those concerning human rights -- are the responsibility of each member state. In such a situation, the position of Myanmar, which is *nota bene* not a member state of ASEAN, indirectly strengthens this commitment. In other words, if ASEAN shows a collective attitude officially, Myanmar could find the excuse that ASEAN is interfering in its internal affairs.

Even though ASEAN mentions as a pretext that the political stability of one of the members of ASEAN, Thailand, is threatened as a consequence of the flood of Myanmar refugees, ASEAN is still in an unfavourable position, as Myanmar has not as yet signed the "Treaty of Amity and Cooperation" with ASEAN. So it seems to be difficult for ASEAN to find a proper position in taking a collective step in the political crisis of Myanmar.

It is clear from the explanation above that Myanmar crisis has placed ASEAN in a dilemma. On the one hand, ASEAN clearly has many reasons to take immediate measures to halt the crisis in Myanmar; on the other hand, ASEAN itself seems not to have a strong organisational foot hold (let us call it a legal basis), to take further political steps.

In such a situation, membership in ASEAN becomes increasingly significant. In the context of Myanmar, this is very important and, at the same time complicated, since until now Myanmar has not shown any serious intention, unlike Vietnam, of immediately becoming a member of ASEAN.

NU's 1992 Mass Rally: A Significant Event in the New Order

Al. Baroto

AFTER a relatively long process in getting permission from the authority, *Rapat Akbar NU (Nahdlatul Ulama's* mass rally) to commemorate its

66th anniversary was eventually allowed to be held in Senayan stadium, Jakarta, on Sunday March 1, 1992. The preparation for organising the rally began with various re-

actions in favour or against the rally, both from outside as well as from inside NU's body itself. The first reaction precisely came from inside PBNU (*Pengurus Besar NU* or the Executive Board of NU) in the plenary meeting of PBNU in mid-December 1991. Most of the members of the meeting were against it because NU being clearly no socio-political organisation cannot engage itself in an activity that is aimed at practical politics, for this is in contradiction with the 1926 *Khittah* (line) spirit; furthermore it was held in beginning of the fasting month. Another reaction was reflected in the difficulty to obtain a recommendation and permission for the mass rally that was finally given just one and a half day before the rally took place (February 28 at 16.15), with the limitation of participants to a number of 200,000 (10% of the expected number); and the rally was allowed to last not later than 13.00 p.m.

The organisation of the rally gave the impression of being unconventional (called *nyleneh* in Javanese), not only because of the large concentration of masses and its rarity in the New Order era except at times of campaigns, but most of all it was organised exactly on the first day of the prohibition for mass activities, issued by the Department of Home Affairs due to the general election to be held in the next three months. Besides, the activity was also performed at a time when the floating mass policy was still effective. Meanwhile NU itself is clearly not a political party, but merely a mass organisation.

Being unconventional seems to be a specific nature of NU, as reflected its response to the development of national politics in which NU tends to make surprising political manoeuvres. A monumental manoeuvre launched by NU was among others its decision to abandon practical politics, breaking

itself organisationally with any existing socio-political organisations, in its 27th *muktamar* (conference) at Situbondo (East Java) in 1984. However, not long thereafter during NU's National Congress at Cilacap it was rumoured by some of NU's functionaries that although this organisation was not active in practical politics, it would continue to anticipate the development of national politics in the future. As a consequence this will give rise to the birth of a political party, and to this end NU must prepare itself.¹ The rumour gave the impression that NU wanted to reappear on the political stage. This is also indicated in the mass rally that was held just a few months before the 1992 General Election.

Looking for Legitimation after Internal Crises

Viewed in the context of several previous activities of NU, namely organising *Musyawarah Nasional Alim Ulama* (the National Consultation of Religious Scholars) on January 21-23, 1992, followed by the two day *Kongres Akbar NU* (the Grand NU Congress) at Bandarlampung that was coloured by an internal crisis, one can argue that the rally is in essence simply a matter of proving that NU (in particular Abdurrahman Wahid or Gus Dur) has still got masses. This is admittedly indispensable because recently Gus Dur was involved in a rather serious conflict with Professor K.H. Ali Yafie, former deputy *Rois Aam Syuriah* (general chairman of the consultative council) of NU. The organisation of the rally is thus a kind of reaffirming the leadership of Gus Dur among NU

¹*Pelita*, 22 January 1992.

members.²

Considering the problem that has surfaced for the last few months, the absence of K.H. Ali Yafie from the *Munas* (National Consultation) and the Congress in early 1992 seems to be deliberately done, which is connected with his withdrawal from PBNU. That was no great surprise, because since Ali Yafie tendered his resignation on account of NU's acceptance of an SDSB (*Sumbangan Dermawan Sosial Berhadiah* or Philanthropic donation with prizes) fund in November 1991, inside NU people had already sensed dualism in the leadership, namely a rivalry for the leadership between the *Syuriah* (led by the *Rois Aam*) as the legislative institution dominated by theologians and the *Tanfidziah* as the executive institution with Gus Dur as a chairman. The seed of the tension has been evident since the death of *Rois Aam* K.H. Achmad Siddiq in which the latter was not automatically succeeded by K.H. Ali Yafie as his deputy, despite the statement on succession as provided in article 25 of the NU statutes.³ The tension was serious and even considered as a conflict between ethnic groups (Gus Dur - Java and Ali Yafie - outside Java).

Ali Yafie himself has currently been an active member of the Advisory Council of ICMI (*Ikatan Cendekiawan Muslim Indonesia* or Indonesian Muslim Intellectual Association), while Gus Dur has preferred propagating Islam among the "street vendors", i.e. among the common people, the non-formal group, to entering ICMI. Gus

²Opinion of Dr. Amir Santosa, a political observer of University of Indonesia, in *EDITOR V*, no. 25 (7 March 1992): 14.

³See Usman Yatim, "Mundurinya K.H. Ali Yafie" (Ali Yafie's resignation), *Suara Karya*, 27 January 1992.

Dur's attitude is not groundless. Since its 27th *Muktamar*, NU has succeeded in formulating its new political orientation that is a mixture of the religious (Islamic) concept and nationality (Indonesian) by accepting Pancasila as the sole principle. The Indonesian Unitary State proclaimed in 1945 is according to NU's religious concept a final form. In other words, in NU's perception the religious concept does not absolutely refer to the Islamic ideology that is likely to be legalistic in nature. It is the concept which is perceived to be orientated more towards the transformation of social values based on *fiqh* laws.⁴

It was in the context of this conception that the late K.H. Achmad Siddiq once gave the foundation for intercourse law based on three kinds of brotherhood: *ukhuwah Islamiyyah* (Muslim brotherhood), *ukhuwah wathaniyyah* (nationalist brotherhood), and *ukhuwah insaniyyah* (international brotherhood of Man). Gus Dur stressed that the purpose of the mass rally was to return to the political orientation as taught by Ahmad Siddiq.⁵ Such a concept was endorsed by thousands of NU members in the rally in early March this year.

A common understanding of the concept is very important to the heterogeneous character of NU. Judging from the number of the members attending the rally of March 1, 1992, NU is homogeneous. But observing

⁴Statement of Gus Dur quoted in *EDITOR V*, no. 25 (7 March 1992): 14; about the *fiqh* law, see Sjamsuddin Haris, "Nahdlatul Ulama and Politics: A Search for Identity," *Indonesian Quarterly* XVIII, no. 3 (Third Quarter 1990): 219.

⁵*Ibid.*; for further explanation of K.H. Achmad Siddiq's basis, see Kacung Marijan, "NU's Response to the New Order's Political Development," *Indonesian Quarterly* XX, no. 1 (First Quarter 1992): 50.

the social status of its members, NU seems to be heterogeneous. This is because NU is composed of members coming from various fields, such as theologians, *santri* (religious students), entrepreneurs, social scientists, economists and technologists and NU politicians who are often termed to be *pulang kandang* (home coming)⁶ as a logical consequence of “*Kembali ke Khittah 1926*” (return to the 1926 line).

Significance of the Rally

Seen from the agenda of the rally itself, although it has spent about five billion rupiahs,⁷ there was apparently nothing special, mainly because it performed nothing but “*pengajian*” (reciting the Qur’an). The rally started with the *Sema’an* (reciting the Qur’an together) and ended with a *tabliq* parade (a parade of Islamic public sermons) presented by NU preachers. However, NU’s attempt to gather a large number of people, originally planned to be attended by two million people, was valued as having imbued a new spirit in the political life in the country. While political communication gave the impression of being very formal, NU’s rally had managed to prove political openness and communication. NU’s masses were given an opportunity to directly touch the essence of the questions faced by the nation. With a real moral force NU intends to build political communication and participation in a qualitative way.⁸

⁶These said to be “*pulang kandang*” are NU’s members who were formerly active in socio-political organisation and reentered NU.

⁷*Suara Karya*, 29 February 1992.

⁸Marhani A. Kahar, “*Rapat Akbar NU dalam Pentas Sejarah Orde Baru*” (NU’s Mass Rally in the New Order’s History) *Suara Karya*, 29 February 1992.

This national event was measured not only from the large number of NU’s members but also from the purpose of endorsing the commitment of NU’s members to Pancasila and the 1945 Constitution, the appreciation of NU’s members of the development of the life of the nation during the New Order, and the support to and full trust in the national leadership. The rally had a tremendous response out of two reasons. *First*, the political and statehood stance of NU is often difficult to guess. NU’s desire to qualitatively participate in the dynamics of the nation has become a provisional blue print because -- being of the *Sunni* religious school -- NU seems to maintain a conformably political and statehood stance. *Second*, NU’s rally has its historical relevance to the dynamics of NU’s religious thoughts and national concepts.⁹

NU’s Stance

NU has been the first mass-organisation that has accepted Pancasila as the sole principle and only NU members are willing to appear in traditional clothes, with *gapyak* footwear (wooden footwear) and with a “*sa-rong*”, even in national events. Politically NU has been conformable and seems to be opportunistic. For example, in 1952 NU withdrew from Masyumi and established its own political party,¹⁰ and when Masyumi was allegedly involved in a separatist movement, NU could intimately embrace the guided democracy regime, and even took the initiative to give the title *waliyyul-amri dha-*

⁹*Ibid.*

¹⁰Mitsuo Nakamura, *Traditionalisme Radikal NU di Indonesia* [NU’s Radical Traditionalism in Indonesia] (Surakarta: Hapsara, 1982) as quoted by Kacung Marijan, “Nu’s Response,” 47.

rury-bissyaukah (government functionary with plenipotentiary powers) to Bung Karno. NU also deftly adapted to the *Nasakom* (Nationality, Religious and Communism) conception that gave a place to the communist ideology that is clearly against religion.¹¹

On the other hand, when the abortive *G30S/PKI* (30th September Movement of the Indonesian Communist Party) occurred, NU loudly announced the action to eradicate PKI. Thereafter Subchan Z.E. (deputy chairman of the Provisional People's Consultative Assembly) and K.H. Achmad Syaichu (Chairman of the DPRGR or Mutual Aid Parliament at that time) appeared on the scene as two important NU figures who played a great role in the transfer of power from the Old Order to the New Order.

The role of NU and its cooperation with the political elite of the New Order eventually did not last long then. During the 1970s NU was even considered as an opposition group whose attitude was inclined to be hard and extreme against the government. However, strangely enough in the 1980s, when a number of Muslim and other mass organisations were still hesitating to accept Pancasila as the sole principle, NU was exactly the first to accept it. This attitude was contrary to the fact that in the 1950s NU together with other Muslim parties were making concerted efforts to fight for an Islamic basis in the sessions of the *Konstituante* (the Constitutional Assembly).¹² The latest surprise was NU's statement of "leaving the political stockpen" in order to become a religious mass

organisation again with the increasingly resounding slogan "return to the 1926 *khittah*". Controversially NU launched the "deflation campaign" against PPP (the United Development Party).¹³ And now, under the leadership of Gus Dur, NU appears to be increasingly endeavouring to be committed to the political system outside itself. NU's close relation with the government lately has also been contrary to the fact that in the past it was extremely against the central authority.

Historically, the existence of NU can be viewed through different periods. *First*, between 1926-1942 NU gave birth to and was supported by religiously thinking cadres and mass motivators who brought forward the initial ideas of the establishment of NU as reflected in the 1926 *khittah*. *Second*, during 1942-1948 the newly born NU was engaged in the fight against the colonial domination and the struggle for the independence of Indonesia. *Third*, during 1948 until the 1980s, NU had directly been involved in practical politics. Apart from religious thinkers, NU was dominated by politicians; and it even took a more active part in political practice. *Fourth*, since launching of the slogan "return to the 1926 *khittah*" to date NU has been inflicted by numerous conflicting presumed problems, that include the presumed domination of the *Tanfidziah* institution (a kind of executive) in the PBNU, that resulted in *mufarrogoh* (the withdrawal) of K.H. As'ad Syamsul Arifin due to the fact that according to the 1926 *khittah* the *Syuriah* should be the highest body; the change of the *salam* greetings; and the SDSB case that caused the withdrawal of K.H. Ali Yafie. On a wider scale, NU has currently

¹¹Ibid., 47-48.

¹²The conformable attitude of NU is also called by Ahmad Syafii Ma'arif as "*kolaborasi*" (collaboration); for further information see Sjamsuddin Haris, "Nahdlatul Ulama and Politics, 216; and Kacung Marijan, "NU's Response," 47.

¹³Sjamsul Hadi, "*Pentas Besar dan Karakter Akomodasionis NU*" (The Great Stage and NU's Accommodationist Character) *Media Indonesia*, 11 March 1992.

been faced with tough challenges. It had to change its pattern and orientation of struggle. It calls for a reinterpretation of its role in making NU more significant in the struggle for the realisation of the *khittah* spirit. This has brought about among others conflicting perceptions, because apart from the complexities of the challenge to be faced, the tools for evaluation which are capable of accommodating the spirit of the change¹⁴ have not as yet been made available.

NU's strategy and effort, however, appear to be sporadic and inconsistent, while the current social life, despite its impressive economic growth, has inexorably been hampered by fundamental problems such as those related to democracy, equal income distribution, justice, and equality in the rights and duties of citizens. Therefore NU's 1992 mass rally has become more important, and according to Gus Dur, "This Rally is more effective than 1000 times P4 upgrading (upgrading on Pancasila) because the rally could afford to offer an opportunity for direct political communication with NU's mass supporters.

NU's national commitment can therefore be strengthened by its communicative power as the prime vehicle of communication and "engine" of national strength. Social change can thus be realised through the existence of a balance of power within the plurality of society with different aspiration. This can expectedly be carried out without disturbing the stability, integrity and dynamics of the nation. NU's mass gathering can also be considered as an initial step in establishing political communications between NU and other components of society and in parti-

cular with the government in a more intense and more qualified manner.

Conclusion

NU's conformable attitude that gives the impression of being opportunistic historically seems to have become a strengthening pillar for its existence. In the 1970s there emerged the term *kaum sarungan* (group who often wear sarong), a cynical nickname seemingly humiliating the Muslim group, in particular NU, launched by Hadisoebeno, a prominent PNI figure of Central Java. But the result of the 1971 General Election showed an important development. When attempts were made to destroy political relations of the Old Order, it was only the *sarungan* group that managed to stand up. NU unexpectedly became the only party of the Old Order that could withstand the Golkar "buldozer". PNI that was once number one during the 1955 General Election dropped off, and that was also the case with *Parmusi* (Indonesian Muslimin Party) which was considered a continuation of Masyumi (runner-up in the 1955 General Election).

The strength of the NU *kaum sarungan* was reflected when they were fused with PPP (United Development Party) in 1975, and brought victory to the party in the 1977 and 1982 General Elections. However, their break-up had caused a dramatic decrease of votes as experienced by PPP in the 1987 General Election. NU's strength can also be seen in its accommodating stance, both in its positive response towards the *Piagam Jakarta* (the Jakarta Charter), its acceptance of the July 5th 1959 Decree, its concern about the Pancasila and the 1945 Constitution, and its contributions to national integrity.

¹⁴Marhani A. Kahar, "Revivalisme dan Dinamika NU" (NU's Revivalism and Dynamics) *Media Indonesia*, 31 January 1992.

History has shown that NU is an important factor in the national development of Indonesia. Therefore the rally organised in commemoration of NU's anniversary, although Gus Dur valued it as a failure,¹⁵ was obviously important not only for NU itself, but also for national development, since it enabled NU to show its strength to political actors.

Although NU has declared to withdraw from the political arena, the rally itself, despite in its mere form of *pengajian*, was clearly a political activity. This was even reflected in the use of the political function, namely political communication. NU's political neutrality has also given a dual advantage in its strategy of struggle. NU will thus

able to freely take part in the political race, which is expected to make new breakthroughs in channeling political aspirations more openly possible. NU will also be able to maximise various activities in social and religious domains; and those activities are fully in line with the current political development.

It can therefore be expected that NU will continue to sustain its existence as the largest mass organisation and to influence the political actors in determining the direction of the national development of this country. Ultimately, now winning the general election is not a big deal to NU, since its political aspirations can possibly be channelled through PPP (United Development Party), Golkar (Functional Group) or PDI (Indonesian Democratic Party).

¹⁵*Pelita*, 6 March 1992.

Facing the 21st Century: Trends in Australia's Relations with Indonesia

Ikrar Nusa Bhakti

"Traditionally, when a dispute arose, there was little to prevent that particular issue from dominating the relationship, and assuming an unwarranted prominence and seriousness. The situation today is very different. The relationship is so much more substantial that it is reasonable to assume that only a very large storm would seriously disturb it." - Gareth Evans, Australian Minister for Foreign Affairs and Trade.¹

"Our fervent hope is that as we enter the 21st century a new Australia, outward looking and feeling comfortable living with its closest neighbours, in close cooperation with a dynamic and progressive Indonesia, will provide the stabilizing underpinning to maintain a secure and conducive geopolitical environment in our part of the World." - Sabam Siagian, Indonesian Ambassador to Australia.²

THE above quotations clearly show that the Australian and Indonesian governments hope that present and future relationship between the two countries is and will be stable, neighbourly, harmonious and fruitful, compared to the previous decades which were very unstable and strange to each other. In 1988, the appointment of new foreign ministers in both Jakarta and Canberra, Ali Alatas and Gareth

Evans, has become one of several positive factors which has been encouraging bilateral relations between the two countries. Soon after their appointments, the two foreign ministers established a warm personal relationship. They tried to seek opportunities to strengthen Indonesia-Australia relations through various activities, including those in the field of defence, culture and commerce. Since 1989 the two countries have shown their political will to establish a more fruitful relationship. And it is hoped that the relationship will be much better in the future, especially in the next 21st century.

The questions to raise are why the relationship of the two countries has impressive

¹Gareth Evans and Bruce Grant, *Australia's Foreign Relations in the World of the 1990s* (Melbourne: Melbourne University Press, 1991), 190.

²Remarks by H.E. Mr. Sabam Siagian, Ambassador of the Republic of Indonesia before the National Press Club, Canberra, 18 September 1991, 15.

ly improved in recent years, and what kind of obstacles for further improvement is likely to surface. This article will describe and analyse the relationship since 1988. It will be followed by a discussion on international and regional factors which affect the relations and also a forecast on its prospect.

Some Impediments

Indonesia's relations with Australia has started since the proclamation of Indonesian independence on 17 August 1945. For half a century, Indonesia-Australia relations have experienced ups and downs. Some political observers believed that the revolutionary period in Indonesia (1945-1949) marked good beginnings in Australia's relations with a new Republic.³ Since then, however, relations between the two countries have been very unstable, depending on the political climate in both countries, particularly in Indonesia.

During the revolutionary period, members of the Australian Trade Unions were quite firm in their attitude and actions to support Indonesia's struggle for independence, such as by organising some rallies to the aid of the Republic, putting an embargo on cargoes of Dutch supplies, munitions and troops.⁴ Most Australians

also opposed Dutch colonialism and sympathised with Indonesia's struggle for independence. At least initially, from August 1945 until August 1947, the Australian government and the press were a bit ambivalent in supporting Indonesia. Only after the first Dutch military action, August 1947, did the Labour government under Prime Minister Joseph Benedict Chifley (July 1945 until December 1949), give its full support to Indonesia. In 1947 Australia represented Indonesia's interests in the United Nations Good Offices Committee, arguing in favour of the international recognition for Indonesia's independence. It is also worth noting that Australia, together with India, co-sponsored Indonesia's admission to the United Nations in 1950.

It seems that Australia's support for Indonesia's independence has so far been affected by, at least, three factors. *First*, in accordance with the ideology of most Australians, including the Labour government, it is the right of Indonesia to attain its independence after being colonised by the Dutch for several hundred years. This attitude was very ambivalent, because Australia itself had been colonising a few countries in the South Pacific, including Papua New Guinea. *Second*, Australia's support was also related to its interest in political stability in one of its closest neighbours, Indonesia. Had the unstable situation in Indonesia continued in that period, Australia would have feared that these conditions would affect Australia's political, economic and social conditions. *Third*, Australia, like the United States and some other western countries, did not want to see Indonesia dominated by a Communist Party or come under Soviet influence.

Since these good beginnings, bilateral re-

³See, for example, J.A.C. Mackie, "Australia's Relations with Indonesia: Principles and Policies (Part I)", *Australian Outlook* 28, no. 1 (April 1974): 3-14; see also the proceedings of the fifth Australia-Indonesia Seminar in Canberra on 26-27 May 1989 in Desmond Ball and Helen Wilson, *Strange Neighbours: The Australia-Indonesia Relations* (North Sydney: Allen and Unwin, 1991).

⁴Evans and Grant, *Australia's Foreign Relations*, 186.

lations between the two countries not only failed to develop the substance that might have originally been expected, but over the years became quite brittle. One of the negative factors which has contributed to this situation is that Indonesia and Australia differ in language, culture, religion, history, ethnicity, population size, economic conditions and in political, legal and social systems. Australia, although geographically forms part of Asia, most of its population are culturally European, and multiculturalism is still prevalent in this continent state. Australia is even still looking for its own destiny, whether to become a Republic or to maintain its present political status under the British Monarchy. Besides, it is also a rich and advanced country with a population of only one tenth of Indonesia, namely about 17 millions, and inherited a liberal democratic political system which differs very much from Indonesia's, which is based on "togetherness" and remains tightly controlled.

The *first* impediment to harmonious bilateral relations between the two countries is the post-independent Indonesian history. Most Australians are assumed to have been afraid of Indonesia. Until recently, Indonesia has been seen by most Australians, including policy makers and defence planners, as one of the countries which has military capabilities, posing security threats from the north.

Historically, Indonesia is seen by a large number of Australians as an expansionist country on account of Indonesia's struggle to regain West Irian (Irian Jaya) in the period between 1957 and 1963, Indonesia's confrontation policy towards Malaya Federation from 1963 until 1966, and Indonesia's incorporation of East Timor in 1975. Some Australians, and Papua New Guineans, be-

lieve that after East Timor it is probable that Papua New Guinea or some part of Australia will become the next target of Indonesia's "annexation" policy. Even though their political and geographical perceptions were probably wrong, most of them still believe in and has given rise to Australian suspicion towards any Indonesian defence policy and strategy, particularly with regard to Irian Jaya and East Timor.

Due to Australia's imagination of threats from the north, during Indonesia's struggle to regain West Irian, Australia built up Army, Air, and Navy units in Papua New Guinea, an expansion of command headquarters, and provision of logistic and training units.⁵ During the Indonesia-Malaysia confrontation period, Australian military units clashed with the Indonesian army, particularly with the Indonesian paramilitary "volunteers". As for the East Timor issue, Australia initially reacted strongly against Indonesia, but in February 1979 Australia gave a *de jure* recognition of East Timor as an integral part of Indonesia. Australia continued to monitor any military action in West Irian, Papua New Guinea and East Timor because during the Second World War those areas significantly functioned as buffers to defend the Australian continent against the Japanese invasion.⁶

⁵See, for example, Ikrar Nusa Bhakti, "PNG's History, Political System and Civil-Military Relations," *Indonesian Quarterly* XIX, no. 4 (Fourth Quarter 1991): 379-381.

⁶See, for example, Brian Toohey and William Pinwill, *Oyster: The Story of The Australian Secret Intelligence Service* (Port Melbourne: William Heinemann Australia, 1989), chap. 8; see also, James Dunn, *Timor: A People Betrayed* (Gladesville: The Jacaranda Press, 1983); see also, Ikrar Nusa Bhakti, "Australia dan Timor Timur" (Australia and East Timor), *Jawa Post*, Daily Newspaper based in Surabaya, 19 December 1991.

On its part, Indonesia has never seen Australia as a threat to its national security, because the former has for many years perceived the main threats to its national security arising internally through political unrest rather than externally, via military hostility. Therefore, the Indonesian Armed Forces (ABRI) formulated a concept of national resilience which has not only included ideology but also political, economic, social, cultural and defence and security elements.

Indonesia, however, like Australia, is as yet rather apprehensive of threats coming from the north. Therefore, the concentric circle of the Indonesia's foreign policy until the 1980s had been focused on the northern and western areas of its territory. Only after the early 1980s Indonesia also focused its attention on its eastern and southern neighbours, namely on the South Pacific countries, particularly the Melanesian Bloc, and on Australian and New Zealand.

The *second* factor which causes Australia's wariness about Indonesia is the latter's population related to social and economic conditions. Indonesia is still a poor country with a huge population, namely more than 180 millions. Despite the unavailability of exact data to support this argument, it is a fact that Australians remain worried that social, political or economic upheavals may unexpectedly occur again in Indonesia. Should this situation occur in Indonesia, Australians believe that a large number of Indonesians would flee the country and take refuge in Australia in the same way as the Vietnamese and Cambodians did.

Although quite a number of Indonesians have voluntarily gone to the North, particularly to Malaysia and Brunei Darussalam, to look for jobs rather than to the South -- Aus-

tralia and New Zealand -- some Indonesian fishermen who crossed the seabed boundary to Australia in the last couple of years have been regarded by Australian media as an indication that most Indonesians will come to Australia because of the economic condition in Indonesia.⁷

Based on this assumption, unquestionably the Australian government and Non-governmental Organisations (NGOs) are now focusing their economic and educational aids primarily on Eastern Indonesia rather than on Western Indonesia. The eastern part of Indonesia admittedly needs more attention not only from the Indonesian government but also from foreign donor countries, because these areas are still deprived of economic infra and supra structures compared to the western part of the country.

This situation has caused some reluctance on the part of national and international investors -- except on mining, timber, fishing and tourism -- to make investments in Eastern Indonesia. Therefore, Australian aid to the eastern part of Indonesia can be regarded as a positive factor to improve the standard of living in these backward areas and to prevent them from separatism. Nevertheless, it is a fact that Australian aid to Indonesia is also related to its own security interests, as the then Australian Prime Minister, Bob Hawke said: "... The territorial integrity, political stability and economic prosperity of Indonesia is a very important contribution to Australia's, and the region's

⁷I come to this conclusion after watching Australian television news, particularly Channel 9 Current Affairs bulletin and ABC Television during my study in Australia.

security”.⁸ In this respect, Australia does not want to see Indonesia either too weak economically, or too strong militarily, because these two extremes have been taken by Australians as threats to Australia’s and the region’s security.

The *third* impediment is the differences in their defence and political outlook. Since its independence proclaimed in August 1945, Indonesia has implemented an “active and independent” foreign policy with various degree of adjustments that depend on its national interests. Based on such a policy, Indonesia under Soekarno’s leadership was an active co-founder of the Non-Aligned Movement (NAM), a policy which stemmed from the Cold War situation.

Indonesia, however, switched its foreign policy to the Eastern Bloc in early 1960s, first to the Soviet Union and later to the People’s Republic of China, due to its national interests to regain West Irian and later during the Confrontation period. Indonesia was also the founder of the so-called New Emerging Forces that tried to prevent Third World countries from the influence of both the Soviet Union and the United States of America and their respective blocs.

Apart from the influence of international politics at that time, the foreign policy mentioned above also reflected the balance of political forces within Indonesia, which then included a powerful Indonesian Communist Party (*Partai Komunis Indonesia* - PKI). After the abortive Communist coup in Indonesia in October 1965, however, both the idea of the New Emerging Forces and the

PKI came to an end. PKI was then disbanded in Indonesia.

Under the leadership of President Soeharto, Indonesia has again adjusted its foreign policy action in accordance with its national interests. In order to maintain its regional security and regional resilience, Indonesia settled its dispute with Malaysia by putting an end to its policy of confrontation in 1966 and was actively engaged in establishing the Association of Southeast Asian Nations (ASEAN). Based on its political and economic interests, since then Indonesia gave priority to ASEAN and to good relations with the United States and other western countries. Because Indonesia is still the largest Moslem country in the world, it has also been active in consolidating relationship with Arab countries.

Australia, as part of the Western alliance, has retained its close relationship with the United States and European countries. Although it has acknowledged the importance of Indonesia, Australia developed more substantial links in Southeast Asia with Singapore and Malaysia rather than with Indonesia. For example, Australia, together with Great Britain, New Zealand, Singapore and Malaysia, established the Five Power Defence Arrangement (FPDA) in 1971, similar to the ANZUS Treaty (Australia, New Zealand and United States). Even though there was no formal statement in the FPDA, it was probable that one of the reasons of the establishment of FPDA was intended to face up to the Indonesian military “adventurism”, because of their experience with Indonesian confrontation policy from 1963 until 1966.

The *fourth* impediment to bilateral relations is the difference in press systems. In ac-

⁸The official paper addressed by Prime Minister Bob Hawke, “Australia’s Security in Asia,” The Asia Lecture organised by the Asia-Australia Institute, University of New South Wales, Sydney, 24 May 1991, 5.

cordance with its political system, the Australian press have enjoyed their liberal and democratic rights to publish and broadcast any issues, including their critical reports and comments on political or economic problems faced by the Australian government and its neighbouring countries.

The Australian press system seems to be appropriately in line with political system. Given the freedom of the press, the Australian government has no chance to act arbitrarily and inhumanely. The Australian press has so far positively played their role as the watch-dog of Australian liberal democratic system. However, the Australian media cannot publish or broadcast whatever they want without any strong and supportive facts or figures. If the media make a mistake, such as humiliating the government or individual through their news or articles, the Australian government or individual persons have their right to bring the media to court. It means that there is a balance between freedom of the press and its responsibility to the government and society. Hence, the dynamics of the triangle relationship between the Press, the Government and Society has positively been maintained in Australia.

The Australian media, however, has occasionally had some problems with some Asian governments, particularly with Indonesia. The ABC-TV, for example, had a problem with the Malaysian government when ABC showed mini-series of "Embassy", the story about an Australian embassy in a foreign country which was very busy with the domestic problem in that country. Although this film is only a fiction, the Malaysian government was very angry because the story of this mini-series was pretty similar with the situation in Malaysia, namely racial problems between Malays, In-

dians and Chinese.

For over the years, the Australian media relations with the Indonesian government have also been erratic. The Australian media have conducted a vendetta against Indonesia since the deaths of five Australian journalists (two television teams) in Balibo, East Timor, on October 16, 1975.⁹ The Indonesian government, particularly security planners and apparatus, have periodically been disturbed by the Australian media due to their broadcasts and publications on sensitive areas of Indonesia's internal politics affairs. More importantly, Radio Australia provides news broadcasts in Indonesian which occasionally present coverage of political disturbances in various parts of Indonesia, which the Indonesian media cannot report because of its political sensitivity. This situation has been an enduring source of irritation to security planners in Jakarta and security apparatus in various parts of the country who do not want such incidents publicised. Because of its insensitivity with the Indonesian political system, it is not surprising that in 1980 the ABC/Radio Australia was asked to withdraw their journalists from Indonesia and in 1981 *The Age/Sydney Morning Herald* journalists did not have their visa renewed.

The Indonesian government's irritation with the Australian media acutely mounted up, particularly because of *The Sydney Morning Herald's* coverage reported by David

⁹Unless mentioned by footnotes, these paragraphs are based on Evans and Grant, *Australia's Foreign Relations*, 187; see also "Gough Takes Axe to Timor Critics", *Sydney Morning Herald*, 10 December 1991; see also, Australia-Indonesia Institute Submission to the Inquiry of the Foreign Affairs Sub Committee of the Joint Committee on Foreign Affairs, Defence and Trade into Australia's Relations with Indonesia, 18 October 1991, 16-17.

Jenkins that focused on the financial dealings of the President Soeharto and his family, and compared them with the Marcoses in the Philippines, entitled "After Marcos, now for the Soeharto's Billions."¹⁰ The Indonesian government's responses were very unusual. Not only did it lodge an official protest towards the Australian government, but it also cancelled senior ministerial visits, refused entry to Australian journalists to Bali to cover a visit by President Reagan and temporarily hindered visa-free entry for Australian tourists. Because of this article, for about 15 months there had been no resident Australian journalist until Australian Associated Press (AAP) was allowed to establish a bureau in February 1988.

For the last three years the Indonesian government has increasingly been hospitable to the Australian media. During this period there has been a flow of Australian journalists to Indonesia for short visits. In September 1991, the Department of Information, as a result of the approaches of the Australian government and the Australia-Indonesia Institute, and because of political developments in Indonesia, lifted the 10-year ban on ABC representation in Indonesia and gave an approval for an ABC journalist to be resident in Indonesia.¹¹ Media relationship between Indonesia and Australia has improved rapidly since 1989. There have been exchanges of visit between Indonesia and Australia journalists, co-operation between ABC TV and TVRI, and also ex-

changes of knowledge between film makers of the two countries. Media cooperations between Indonesia and Australia will undoubtedly extend and improve mutual understanding among Indonesians and Australians and will also be a positive contribution to the relationship between the two countries.

The Global and Regional Contexts for Bilateral Relations

If 1986-1987 was a bleak period for bilateral ties, it did have a silver lining: it forced both Indonesia and Australia to acknowledge that better understanding and cooperation were needed to solve their differences and misperceptions, and to promote relations.

As mentioned earlier, the appointments of Ali Alatas and Gareth Evans was one of the positive factors that has encouraged improvement of Australia-Indonesia relations. However, a change for a better relationship has also been encouraged by the drastic changes in international and regional politics.¹² At the international level, the last five

¹⁰An excellent account on this subject is Richard Robison, "Explaining Indonesia's Response to the Jenkins' Article: Implications for Australia-Indonesian Relation," *Australian Outlook* (December 1986).

¹¹See, for example, Colonel Colin East, "Indonesia. Approaching the Crossroads," *Asia-Pacific Defence Reporter* 1991, Annual Reference Edition, 19.

¹²The Australian perspective on its own security in the Asia-Pacific region is evident from the official paper addressed by Prime Minister Bob Hawke, "Australia's Security in Asia"; see also, Senator Gareth Evans, Australian Minister for Foreign Affairs and Trade, "Australia's Regional Security Environment," Conference on Strategic Studies in A Changing World, Australian National University, Canberra, 31 July 1991; see also, Australian Ambassador to Indonesia, Mr. Philip Flood, "Security in the Asia-Pacific Region," The Third Southwest Pacific Conference on Regional Peace, Stability and Resilience, Hasanuddin University, Ujung Pandang, 2 March 1992.

years have seen the most profound changes in global strategic circumstances in nearly half a century, namely the end of the Cold War between East and West. It has influenced the political and economic changes in Europe, Asia-Pacific and other regions.

At the regional level, for example in Europe, the Warsaw Pact has been dismantled, the former communist countries in Eastern and Central Europe have taken a political reform from a communist to liberal democratic system and economic reform from a centralised to market oriented/capitalist system; and the former Soviet Union has collapsed and its constituent parts are heading for the same direction of reform. Some of the former states have established a Commonwealth of Independent States (CIS). While fragmentation caused by nationalist and ethnic conflicts has currently been a dominant security issue in Eastern Europe, such as in Yugoslavia, Rumania and the former Soviet Union; in contrast, unification has become a dominant political, legal and economic issue in Western Europe, particularly among the members of the European Community (EC).

Over the last few years, political changes have also occurred in Asia, such as the progress towards peace in Cambodia, resumption of diplomatic relations between Indonesia and China, closer relationship between China and Vietnam, some easing of tension on the Korean Peninsula and some positive changes in South Asia, particularly in Bangladesh and Nepal. However, there are still some potential conflicts in Asia, such as the claim by some Asian countries on the Spratly and Paracel Islands and the government's suppression of minority groups in Myanmar which have caused trouble in Thailand and Bangladesh.

Apart from that, there are also some important changes in the Asia-Pacific region and other regions which have caused Australia to focus its attention and change its attitude towards Asia and Asians. *First*, the decision by the United States to reduce its military presence in Northeast and Southeast Asia, so that Australia can no longer depend its security on the US alone. *Second*, the emergence of a number of increasingly powerful regional states -- Japan, China and India -- will have a greater potential for influence in the Asia-Pacific region in 1990s and the 21st century. *Third*, Asia itself has emerged as the most economically dynamic region in the world and from the economic point of view, the 21st century is most likely to be an Asia-Pacific Century. *Fourth*, it is a fact that economic protectionism has become part of life.

These political and security changes have induced Australia to change its attitude towards Asia, given its perpetual fear of the latter. Australia has long been relying on Britain and then on the US to prevent its security from "Asian threat". Drastic changes in the international and regional environment have influenced Australia's stance. Instead of seeing Asia as a danger, Australia is now willing to become part of Asia's security system. In order to maintain its own security interests, the Australian government has formulated a so-called "a multidimensional approach towards Asia", not only through military capability, or by diplomatic or politico-military means, but also through trade and investment, and Australia's development assistance programmes, which also include private and public efforts in the exchange of people and ideas.

Given such an approach, Australia needs to cooperate with Indonesia in various fields,

including defence, culture and commerce, to be able to survive in the changing world. For Australia, Indonesia is very important because the latter is geographically the closest Asian country. Australia's good neighbourly and fruitfully relations with Indonesia can be regarded as a test whether Australia has positively changed its attitude towards Asia and become part of Asia or still maintains its attitude that Australia is a different and alien society in Asia.

Indonesia, on its part, has never acknowledged the importance of Australia, among other things, because of its geographical location. However, the change of internationally and regionally political and economic environments has resulted in cooperation between Indonesia and Australia, both in maintaining peace and stability in the Southeast Asian region. The joint activities include among others the solution of Cambodian conflict, working closely in the Cairns Group and also the Asia-Pacific Economic Cooperation.

The fact that Australia is one of the several countries who has recognised Indonesia's sovereignty on East Timor both *de facto* and *de jure* has also caused Indonesia to maintain friendly relations with its southern neighbour.

Trends in the Future

Since 1989 the two countries have mutually desired to build up a strong, stable and fruitful relationship through a new framework of cooperations in the diplomatic, defence, cultural and commercial fields. In 1989, the Australia-Indonesia Institute (AII) was established, emulating the model of Australia-Japan Foundation and Australia-

China Council, to promote people to people contact alongside the official relationship. It is hoped that if the government to government relations are going down, people to people relations are still going up and will be able to ease official bilateral tensions. Defence and commercial relations have also been growing, albeit very slowly. These various activities are also expected to bring about a closer relationship based on mutual understanding.

Diplomatic Relations

In fact, over the last three years, cooperations between the two countries have been growing. Even though there are still many "pebbles" in the two countries' relationship, such as insensitivity of the Australian media on Indonesian political and economic affairs, including business dealings of the President's family, issues on human rights and also the East Timor problem, the media reports on these matters did not disturb the fruitful relations between the two countries. This recent situation is different from that in 1986 when David Jenkins published his article in the *Sydney Morning Herald*. An Australian journalist has even criticised the Australian media who love to publish or broadcast sensational news on Indonesia.¹³

¹³See for example, Greg Sheridan, "Jakarta won't Swallow this Froth — and Neither Should We," *Australian*, 11 March 1992; see also, "Indonesia Plays Down Row Over Leaked Paper," *Australian*, 11 March 1992; David Lague, "Leaked Suharto Claim Unsettles a Friendship," *Australian Financial Review*, 10 March 1992; David Lague, "Jakarta Backlash Unlikely Over 'Corruption' Briefing," *Australian Financial Review*, 11 March 1992; "Voyage to Peace in East Timor", Editorial, *Sydney Morning Herald*, 12 March 1992.

The Australian media's interest in sensational news, reports or stories about Indonesia and other Australia's neighbouring countries probably results from some factors. *First*, Australia is a country of immigrants with multicultural society and less sense of belonging or nationalism. Accordingly, the government, and particularly the media, enjoys publishing sensational news and reports about other countries to show that Australia is better than those countries. This is allegedly used as a means of propagating nationalism among ethnic and national groups in Australia. In the recent global economic recession, the Australian government campaigns that Australia should become a "clever country". Otherwise, as Paul Keating said, Australia will always become a "banana republic", a country which is very vulnerable because of its dependence on natural resources. Even though Australia's economy is now tailing off, Australian media still love to boast that the Australian situation is still better than developing countries.

Second, publication of sensational news is economically related to media circulation. That this kind of news is likely to increase their newspaper's circulation and also their TV rating to the top position. In fact, Australian newspapers and TV are competing with each other to get their audiences. If they succeed in attracting their audiences, it means that they can get a lot of money from the advertisements.

Third, sensational news/stories are also related to the Australian pride as a liberal democratic state. Australians consider some of their Asian neighbours undemocratic because of the latter's political systems which are different from Australia's.

This period has shown that the official relationship between Jakarta and Canberra has been fruitful and mature. The most substantial achievement in the two countries' relationship was the Timor Gap Zone Cooperation Treaty officially signed by Ali Alatas and Gareth Evans on an aircraft above the Timor Sea in December 1989, which came into force in February 1991.¹⁴

An equally obvious indication of the new vigour in the relationship has been the frequent of ministerial-level visits. During this period there have been more than thirty visits, almost mutually balanced, with several ministers visiting more than once. They represented a broad range of sectoral interests, including education and culture, environment and forestry, transportation, resource, immigration and defence, which indicated the breadth of the two countries' common interests.

Australian Prime Minister Paul Keating's visit to Jakarta on 21-24 April 1992 will bring about a new era in Canberra-Jakarta relations. It seems that Keating is more interested to enhance Canberra's relations with Jakarta than his predecessor Bob Hawke. Even though some of Keating's advisers advised him to go to Japan on his first Prime Ministerial visit, Keating decided to go to Jakarta. It implies that Keating wants to show that stable relations with Indonesia will widen the road to ASEAN countries in particular, and to Asia in general. To show his in-

¹⁴Australian Ambassador to Indonesia, Mr. Philip Flood, "The Timor Gap Zone of Cooperation Treaty -- An Australian Perspective," paper presented at the Timor Gap Seminar, Faculty of Law, University of Indonesia, Jakarta, 13 December 1989; see also, Asnani Usman, "*Timor Gap dalam Penetapan Batas-batas Landas Kontinen Indonesia-Australia*," *Analisa*, no. 11 (November 1986).

terest in Indonesia, his government once again stated that East Timor is an integral part of Indonesia. His government's stance on East Timor was stated in Lisbon when Senator Evans visited Portugal in March 1992. The Australian government also warned its citizens that the government would not be responsible if they went to Dili with "Lusitania Expresso" ferry. It was also amazing that for the first time since 1975, a few Australian media had published positive comments on East Timor. During a "Lusitania Expresso Affair", *The Australian*, was of the opinion that "To attempt to enter East Timor by ship against the wishes of the Indonesian government and the Indonesian military is reckless and irresponsible." The editorial of this newspaper also pointed out, among other things, that "The Portuguese are in no position to be lecturing anybody about East Timor".¹⁵

Keating, as Labour's former Treasurer under Bob Hawke, seems likely to step up bilateral relationship with Indonesia through commerce, which is similar to its relationship with Japan. Commercial links between Canberra and Jakarta are expected to strengthen the two countries' relations. It is also hoped that economic interdependency between Canberra and Jakarta will become a positive factor for the two countries' relations. Australia learned from its relations with Japan that commercial links have become a glue for political/bilateral relations, even though the majority of the older Australian generation will never forget the Japanese military expansion to Asia and the South Pacific region.

In fact, the then Australian Prime Minister Bob Hawke intended to visit Indonesia

last December. However, he delayed his visit because of the problem Indonesia had in Dili (Santa Cruz massacre). Bob Hawke's attitude towards Indonesia was criticised by Labour's former Primer Minister Gough Whitlam. Whitlam was of the opinion that Bob Hawke "is a media and poll-driven politician whose performances in foreign policy were for domestic consumption". He added, "as a media and poll-driven politician he has always distanced himself from Indonesia ... Now there will be a widespread perception here and overseas that the style of his utterances on East Timor is conditioned by his domestic situation." Whitlam, however, praised Senator Gareth Evans as "the first Australian politician since me who has been able to establish a trusting and effective relationship with his Indonesian counterpart. Nevertheless, he added, "The best foreign ministers and ambassadors need the backing of their respective heads of government."¹⁶

The essence of Whitlam's criticism of Bob Hawke is probably true. During his tenure, Bob Hawke always took a tough stance on Indonesia, for example, in the David Jenkins affair and the Blenkinsop killing in Biak, Irian Jaya. He never telephoned President Soeharto to solve any problem in Australia's bilateral relationship with Indonesia, as he telephoned President Bush during the second Gulf War. Bob Hawke came to Indonesia in 1983 just after he had won the general election and had never since visited Indonesia. In doing so, he seemed to show that Indonesia was not important to Australia. Even though he always said that Australians should change their attitude towards Asia, he himself established a perception that the US was still Australia's impor-

¹⁵*Australian*, 10 March 1992.

¹⁶*Sydney Morning Herald*, 10 December 1991.

tant ally and protector.

A combination between Paul Keating as Prime Minister and Senator Gareth Evans as Minister for Foreign Affairs and Trade, despite their different factions in the Labour Party, will enhance Australia's relations with Asia.

Defence Relations

Australia's formal Defence Co-operation Programme (DCP) with Indonesia has been suspended not long after the "Jenkins Affairs". However, arrangements for co-operation in defence, search and rescue, and quarantine continue to develop. Australia's commitment in defence relationship with Indonesia is demonstrated in a wide range of activities, including reciprocal senior officer visits, staff college visits and officer student exchanges; modest exercise activity, particularly maritime; maritime surveillance in areas of mutual security concern, such as at the Arafura and Timor seas; ships visits; cooperation in survey and mapping; familiarisation/study visits by larger formations, eg. Land Command, *Kostrad* (Army Strategic Command), and airman to airman talks associated with aircraft transits.¹⁷ The emphasis of this defence cooperation is non-material in nature and are conducted in a fairly informal, non-institutionalised manner, and at a tempo that suits both sides. It is hoped that the emphasis on person to person contact in an informal atmosphere will promote better communication and understanding between the defence forces of both countries and consequently help allay the mistrust and misunderstandings that have sometimes marked the bilateral relationship in general.

Nowadays, Australia has been hosting 21 Indonesian officers at staff colleges throughout the country.¹⁸ Australia and Indonesia regularly have naval exercises. The vice-chief of the Australian Defence Force, Vice-Admiral Alan Beaumont, said in federal parliament that Australia would like "to do more air-to-air exercises and more army to army exercises and to build up the sort of exercises we are doing with the US, for example, so that we can work closely together, should a threat arise against both of us in our region." He also dismissed what he said as being groundless fears that Indonesia poses a threat to Australia's security. Actually, this is not his personal opinion but that of the Australian Department of Defence. This opinion is quite different from the opinion of the majority of Australians. In 1986 the Australian Defence Force White Paper or Dobb's Report even forecasted that any possible threat to Australia could come through and from Indonesia.

Cultural Relationship

In 1989 the Australian government established Australia-Indonesia Institute to enhance the relationship between the two countries by promoting people to people contact in a wide range of field, particularly in cultural affairs. Every year this institute received funds of about A\$1 million from various sources, mostly from the Australian International Development Assistance Bureau (AIDAB). Some of its activities are: promoting Indonesian Studies in Australia, Australian studies in Indonesia; exchanging art performance, including visual arts, and

¹⁷Diplomatic sources in Jakarta.

¹⁸This paragraph based on *Australian*, 13 March 1992.

business and trade exhibitions; promoting professions in science and technology, sport, media, and Australia-Indonesia Youth Exchange programme. The activities of the AII are not only centred on the capital city, Canberra, but also throughout the country. It is hoped that those activities will promote mutual understanding among people of the two countries.¹⁹

Indonesia also regularly receives about A\$100 million per annum from Australia, provided as development assistance programme particularly for the less developed eastern provinces of Indonesia. Part of the AIDAB programme for Indonesia is sponsoring Indonesian students to further studies in Australia. To date, Australian University and college graduates in Indonesia are estimated to have been about 30,000; about 1,400 of them are postgraduate students.

The Australian graduates occupy a wide range of positions from junior minister in the current Indonesian government, provincial governors, director general, rector to lecturers and the researchers in Universities and government research institutes. Australia has a valuable human resource and a reservoir of good-will amongst its Indonesian alumni. Even though official relations between Jakarta and Canberra are not going smoothly they have not affected close relationship between Australians and their Indonesian colleagues and friends.

Commercial Links

Commercial links between Australia and Indonesia have increased slowly from time to time. There have been many constraints in

bilateral trade between the two countries, namely: the limited complementarity between the two economies, the ignorance in each country of the conditions and opportunities in the other, limited ships between Australia and Indonesia and, a real concern about the regulatory environment. Both Indonesia and Australia have admittedly been trying to deregulate its economic regulation as push and pull factors to facilitate foreign investments and also to increase exports and imports. Australia and Indonesia have also agreed to have a double tax agreement to promote investment from Australia to Indonesia and vice versa.²⁰

Bilateral trade between Indonesia and Australia has so far been in favour of Australia.²¹ For the last three years, Australian exports to Indonesia have almost doubled, reaching some A\$1,422 million in 1990/91 compared to A\$748,3 million in 1988/89, and Indonesia became Australia's eight largest export market. During the same period, Indonesian exports to Australia have increased from A\$418,9 million in 1988/89 to A\$638,5 million, and Australia became Indonesia's tenth largest export market. It is worth noting, however, that Australian prime exports to Indonesia are petroleum oil (crude), wheat, cotton, iron or steel ingots,

²⁰"The Historic Significance of Indonesia-Australia Cooperation," Luncheon Speech delivered by Sabam Siagian, Ambassador-designate to Australia, at the Thamrin Room Mandarin Hotel, Jakarta, 5 June 1991; see also, Remarks by H.E. Mr. Sabam Siagian, Ambassador of the Republic of Indonesia before the National Press Club, Canberra, 18 September 1991; see also, Gareth Evans, "Australia and Indonesia: Next Steps Forward," the text addressed to the Australia-Indonesia Business Conference, Perth, 14 October 1991.

²¹Sources for this paragraphs are from the Economic Section at the Australian Embassy, Jakarta.

¹⁹See Australia-Indonesia Institute submission to parliament.

zincs and zink alloys and alumina; while Australian prime imports from Indonesia are petroleum oils (crude), textiles, petroleum production (refined), coffee and substitutes, veneers and plywood. It means that oil is still an important part of the bilateral trade between Indonesia and Australia. It is hoped that in the near future, Indonesia is able to replace Malaysia as exporter of electronic and other manufactured products to Australia.

There is no doubt that the two governments are hoping that commercial links between Canberra and Jakarta will be growing rapidly in the next 21st century. Trade and investment are expected to become a glue to stable and fruitful relations between Australia and Indonesia. Australia-Indonesia Business Council in Australia and its counterpart (Indonesia-Australia Business Council) will definitely play an important role to promote bilateral trade and investment. However, it is also hoped that the two governments will encourage their respective businessmen to have more business dealings.

Conclusion

The prospect for bilateral relations between Canberra and Jakarta seems to have

been encouraging since 1988. Australia's multidimensional approach towards its Asian neighbours, including Indonesia, has promoted understanding between Australia and its neighbouring countries, despite Australian media's frequent negatively reported coverage about its neighbours.

The author believes that promotion of personal relationship between leaders, policy makers, defence planners and people of the two countries could enhance bilateral relationship. But formal government to government relationship should continue to be a dominant factor in this bilateral relationship. Therefore, promotion of personal relations should be complemented by the promotion of relations among the two government's departments. In other words, bilateral relationship between Australia and Indonesia will be stable and fruitful for a long time if formal relations between the two government's departments and informal people to people relations are simultaneously promoted.

Overall, there seems to be positive trends in the two countries relations in the 21st century to come. Both Australia and Indonesia certainly need each other in order to survive in the changing international and regional environments.

Australia-Indonesia Security Relationship

Jusuf Wanandi

Introduction

THE fact that Indonesia and Australia are neighbours has its geopolitical consequence, namely that they have to live together in peace and to develop normal relations. This also means that they have to develop mutual understanding and a sense of take and give, to cooperate in as many areas as possible, as well as to promote regular exchanges on assessments about developments in the regional environment. It is of great importance as well that developments in each other's country and society be studied by both sides so that many leaders and a growing segment of the respective societies would know each other better.

A normal relationship between the two countries is important for the development

of a sustained security relationship. This does not mean that normal relations must exist in all other fields before a security relationship can be promoted. It is even possible that efforts to seriously develop a security relationship could also bring about normal relations in the other fields. It is to be noted that a security relationship is not confined to the military field, although military relations is an important component of that relationship. In essence, security relations encompass all aspects of life.

Changes in the Asia-Pacific region as well as globally do affect relations between Indonesia and Australia. The direction of these changes are very uncertain today. Therefore, small and medium countries in the region that have a common interest in the maintenance of regional peace and stability should work together and find ways to assure that these changes do not pose a threat to the region. In this regard the ASEAN countries and other countries in Southeast Asia as well as Australia and New

A paper to the 25th Anniversary Conference of SDSC (Strategic and Defence Studies Centre), Canberra Juli-August 1991.

Zealand should have a great deal in common.¹

One task that these countries have is the creation of a new regional order for the Asia-Pacific region which in the future could complement US military presence in the region that thus far has contributed to regional stability. For the time being, the main question facing the region is whether the American public and the US Congress will see the need to continue to maintain a US military presence in the region even though the Cold War is over. The security situation in the Asia-Pacific region has not come to a clear settlement as it is now the case in Europe. This is partly due to the uncertainty with regard to the Soviet military presence in the region since the reduction in size appears to be accompanied by an increase in quality. In part this is also because regional conflicts -- in the Korean Peninsula, the Northern Territories of Japan, Cambodia -- will remain unresolved over the medium term.²

The other question is on the need for the small and medium countries in the region to begin to develop some form of cooperation in the military field. This should precede the creation of the regional order mentioned above or should be further strengthened if such a regional order fails to materialise.

¹(a) Jusuf Wanandi, "Peace and Security in South East Asia," paper presented at the Manila Conference, June 5-7, 1991 on "ASEAN and the Pacific Region: Prospects for Cooperation in the 1990's," revised and published in the *Indonesian Quarterly* XIX, no. 4 (Fourth Quarter 1991): 313-325; (b) Jusuf Wanandi, "Towards a Regional Order for ASEAN," *Indonesian Quarterly* XIX, no. 2 (Second Quarter 1991): 108-114.

²William J. Crowe, Jr. and Alan D. Romberg: "Rethinking Security in the Pacific," *Foreign Affairs* (Spring 1991): 124.

This could begin with ASEAN military cooperation that in turn can be extended in a loser form to the wider region involving ASEAN, the other Southeast Asian countries, Australia and New Zealand.³

The economic development of the Asia-Pacific region is of great importance to both Indonesia and Australia as these two economies become so deeply integrated into this emerging regional economy. This suggests the importance of regional economic cooperation, which is now being promoted by and through APEC (Asia-Pacific Economic Cooperation) that was launched in Canberra at the end of 1989. Thus, Indonesia and Australia should cooperate in the further development of APEC.⁴

Another important reason for the strengthening of security relations between Indonesia and Australia is the importance of PNG to them both. However, this should not mean the creation of a condominium between Indonesia and Australia vis-à-vis PNG. Anyway, this is not going to come about because their interests towards PNG are not the same. It is important, however, that regular dialogues be held to assess developments in PNG and the cooperation that each side has with PNG in order to avoid mutual misunderstanding and suspicions on the relations that each side has with PNG. PNG's development has profound strategic implications for Indonesia and Australia. For Indonesia, its relations with PNG affect the development of Irian Jaya and its relations with the other South Pacific nations. For Australia, the relationship is psychologically important as PNG was its former

³Jusuf Wanandi, "Peace and Security," 322-323.

⁴*Ibid.*, 317.

colony and receives large amounts of economic assistance.⁵

A fourth reason for the importance of Indonesia-Australia security relations relates to the prominence of so-called new issues in international relations such as preservation of the environment, terrorism, narcotics trade, the movements of mass-destruction armaments, migration, as well as those concerning human rights, the rule of law, and the process of democratisation.

These issues will be discussed next in the context of Indonesia-Australia relations. The final section will offer some suggestions for the promotion of Indonesia-Australia security relations in view of the deep-seated differences that currently exist between the two countries in a number of areas.

Indonesia-Australia Relations

Indonesia and Australia have experienced rather dramatic tides and ebbs in their bilateral relations. During Indonesia's struggle for independence, Australia under its Labour Government was sympathetic to Indonesia and its strive for freedom since 1947. This changed when the Liberal Government under Prime Minister Menzies came to power. This was partly due to Indonesia's focus on the West Irian issue in its external policies and its emotional reactions to the Dutch proposal to integrate West Irian and PNG into a single independent country towards the end of the 1950s. This proposal received some support from Australia. In ad-

dition, Prime Minister Menzies' views on Indonesia were very much influenced by those of the Western bloc, led by the US, that saw Indonesia moving into the embrace of the communist bloc.

The successful conclusion of the West Irian campaign in 1962 had strengthened the influence of PKI (Indonesian Communist Party) in Indonesia. The '*konfrontasi*' with Malaysia led to a direct confrontation between Indonesian and Australian troops in the jungles of Kalimantan.

The change in government in Indonesia, following the traumatic event in 1965, opened up a new era in Indonesia-Australia relations. The New Order government under President Soeharto is seen as anti-communist and as adopting pragmatic policies in its external relations as well as focusing its efforts on internal political stability and economic development. Bilateral relations were at their height in the early 1970s, in large part as a result of good personal relations that have developed between Prime Minister Whitlam and President Soeharto.

Perhaps it was to be expected that the excellent relationship which has developed between two countries having such deep-seated differences, as between Indonesia and Australia, could not easily be sustained. And indeed, as a result of Indonesia's intervention in 1975 in the Civil War that erupted in East Timor, which had caused the death of six Australian journalists, relations have turned very sour. The accusations made by the Australian mass media on human rights violations in East Timor, as well as the harsh comments on the role of the military and the question of democracy in general, were negatively received in Indonesia. Australia, on the other hand, was seen as a racist coun-

⁵Jusuf Wanandi, "Conclusion - Indonesia" in Desmond Ball and Helen Wilson eds., *Strange Neighbors: The Australia-Indonesia Relations* (Sydney: Allen and Unwin, 1991), 240-241.

try, arrogant and moralistic in imposing its values to other nations, and could never become a part of Asia because of its predominant orientation towards England, USA and the West.⁶

When relations were at its ebb, the correspondents of ABC and the Australian news media were not given permission to work in Indonesia. Now, only AAP has returned, although visits by Australian journalists have become more frequent. Military cooperation was also abrogated until about two years ago albeit in a more limited scope.

In addition to the East Timor issue, the Australian mass media had also launched strong accusations on the Indonesian government's mishandling of its people that crossed the border from Irian Jaya into PNG. This is no longer a major issue since it has been settled satisfactorily with the assistance of ICRC. Moreover, Indonesia's relations with PNG have greatly improved, and this has led to the signing of a Treaty of Mutual Respect, Friendship and Cooperation between Indonesia and PNG in 1987.

The past two years have also seen a great improvement in Indonesia-Australia relations. High-level visits on both sides have become more frequent, and an agreement of the Timor Gap has been reached and ratified by both sides. Nevertheless, the two sides must recognise the fundamental differences that continue to exist between them. There is also a quite widespread perception in Australia

that Indonesia is Australia's main threat. Although one could argue that this does not have any significant meaning, it serves to show the misunderstanding and prejudices that exist. It can be concluded that relations between the two countries need to be deepened and broadened so that the differences that exist could be understood and accepted and do not cause disturbances in the relationship. Or if disturbances in some areas do occur they can be counterbalanced by relations in other areas that both sides attach great importance to. Here the model of Indonesia's relations with Malaysia or any other ASEAN country comes to mind. Sometimes problems popped up, such as the sovereignty of the two islands off East Kalimantan, Sipadan and Ligitan between Indonesia and Malaysia, without hurting basic relations between the two countries.

The differences that exist between Indonesia and Australia can be found in many aspects. Australia is an advanced country that adopts Western democracy as its political system and belongs to the American bloc through an alliance agreement. Its cultural values are those of a Western liberal society and the majority of its small population are white people. Indonesia is a developing country with a political system that is still in the making and is based on Pancasila and definitely not on liberal democracy, and in which the armed forces play a dominant role. It is a non-aligned country in its foreign policy and belongs to the Group of 77 in the UN. Indonesia is also an observer of the Organisation of Islamic Countries and OPEC. Although the society is pluralistic and diverse, its various groups share common cultural values, of which syncretism is a major characteristic. It is the fifth largest country in the world in terms of its popula-

⁶Hasnan Habib, "Australia-Indonesia Relations," in Desmond Ball and Helen Wilson eds., *Strange Neighbors*, 165-183; see also Andrew MacIntyre, "Australia-Indonesia Relations," in *ibid.*, 145-160.

tion and is an archipelagic country.⁷

The Australian society is essentially inward-looking, largely because of its geographic condition as a continent with a low population density, except on the north-eastern and southeastern parts. Generally speaking racial sentiments and the feeling of superiority of the white people are still widespread among its people. Therefore, the feeling that its political and economic systems are superior is quite pronounced. The leaders have made efforts to change this, either through education, immigration policy, and appreciation of foreign cultures. However, this policy has not received bi-partisan support as yet. Australia is still very much oriented towards Europe, England in particular, and the United States, although geographically, geopolitically and economically it is very much part of the Asia-Pacific region.⁸

In the security realm, Australia has always been dependent on the protection by others, the United Kingdom previously and the United States until today. There is a growing recognition, however, that this protection cannot be relied upon forever and therefore, Australia needs to develop its own defence capabilities and should pursue a more active diplomacy to make it a part of the Asia-Pacific region.⁹

It feels quite insecure towards Indonesia because its knowledge of Indonesia is very limited, except from the one-sided or sensational news that are published through its media. Indonesia is seen as an aggressive and

expansionist country. However, the Australian defence establishment recognises that Indonesia does not have any intention or capability to invade Australia. Indonesia can be used as a base from which a major power would invade Australia, but this is also unlikely due to her independent stance in political and security matters. The Australian elite seems to be of the opinion that Indonesia poses a threat to Australia only if instability develops inside Indonesia which would allow its foreign policy to become aggressive as experienced during the Soekarno era. Therefore, Indonesia's stability is important to Australia, and cooperation with Indonesia is often given support on that basis.¹⁰

As mentioned before, the state of relations today has been much improved and it seems that the Labour Government in Australia has made conscious efforts to improve the relations. Most pronounced is the improvement in diplomatic relations. Military relations, albeit limited, have been resumed, and economic relations continue to expand. However, trade relations are not likely to be significant because of the small size of the Australian market and because of the structure of the Australian industries. Nonetheless, economic cooperation could be further promoted to include services (engineering, accountancy, etc.) and technology trade where Australia could play an important role in Indonesia's development. Australian investments in Indonesia are still confined mostly to the minerals sector.¹¹

⁷Desmond Ball, "Preface" in *Strange Neighbors*, 6.

⁸John Bresnan ed., *The Williamsburg Conference*, Sydney, Australia, February 1991 (New York: Asia Society, 1991), 26-28.

⁹Andrew MacIntyre, "Australia-Indonesia," 151-152.

¹⁰*Ibid.*, 146-147.

¹¹Mari Pangestu, "Bilateral Indonesia-Australia Economic Relations," in Desmond Ball and Helen Wilson eds., *Strange Neighbors*, 183-214. See also Hall Hill, "Australia-Indonesia Relations: Challenges and Opportunities in a Small Relationship," in *ibid.*, 215-239.

Indonesia-Australia military relations have been influenced by a number of factors. Among World War II veterans in Australia there continues to be some mistrust towards Indonesia. They also harbour special feelings towards East Timor because of its role during the guerilla war against Japan. Until about ten years ago, these views had received some sympathies from within parts of the Australian Department of Defence. The Indonesian Armed Forces (ABRI), on its part, had been greatly annoyed by the Australian reactions to its intervention in East Timor, because their efforts to end the civil war in East Timor were not undertaken merely for the sake of Indonesia's security but also for the stability of the wider region, which serves Australia's interests as well. Again, as mentioned earlier, relations have greatly improved now and cooperation has resumed, to include among other things dialogues and visits of chiefs of the Armed Forces to each other, the exchange of officers attending courses in the each other's training institutes and joint naval exercises when the Australian Navy passes through Indonesian straits and waters.

Of equal importance to the improvement of overall relations are the cultural, scientific and educational fields. The establishment of the Australia-Indonesia Institute to promote cultural exchanges and cooperation among the mass media is to be applauded. The Indonesia Project at the Research School of Pacific Studies at ANU, and its Bulletin of Indonesian Economic Studies (BIES), has greatly contributed to the promotion of cooperation among academics, and provides a model for cooperation in other fields of studies. Southeast Asian studies in Australia appears to be on a rise again, but the in-

terests towards Northeast Asia (Japan and China) are much greater. On the issue of the Australian mass media, Southeast Asia does not demand that the Australian government would limit the freedom of its press. But it is imperative that the media should be more sensitive about the complexities of and the differences among the societies in the Asia-Pacific region.¹²

Indonesia, on its part, has a high self-image and tends to view itself as being in a central position.¹³ This seems to be common among countries with large populations and long histories, such as China, India, and also the United States. They all tend to be inward-looking and feel that others must adjust themselves to their values. This tendency in Indonesia has been reinforced by Indonesia's struggle for independence. The history of its development as a young nation has strengthened its nationalism and instinct for independence. It has adopted a non-aligned stance because of the nature of its independence struggle and strengthened by the facts that the three major powers, the Soviet Union, the US and China, have all intervened politically and in other ways in Indonesia's internal affairs. The Soviet Union was involved in the PKI rebellion in Madiun in 1948; the US was involved in the PRRI/Permesta rebellion in 1958, and China was involved in the aborted PKI coup in 1965.

The main challenge to Indonesia today is how it can internationalise itself in the future in view of the strategic and economic changes that are taking place globally as well as in the Asia-Pacific region. This interna-

¹²Bresnan, *Williamsburg Conference*, 26-27.

¹³Goenawan Mohammad, "Indonesia's Self-Perception," in Desmond Ball and Helen Wilson eds., *Strange Neighbors*, 139-144.

tionalisation process will in itself bring about new challenges.¹⁴ In the economic field, largely in response to the drop in oil prices, restructuring policies were introduced involving deregulation measures and the promotion of export. As a result the Indonesian economy has become more open and has become more compatible with the economies in the Asia-Pacific region. In the political field, the democratisation process that takes place in Eastern Europe and especially in Asia-Pacific definitely has some influence on the development of greater political openness, but the main force behind this development is the rise of the middle class. This has also led to a greater awareness in the society of the problems of human rights and the rule of law, but it is generally understood that the political system that will evolve will not simply be an emulation of the Western liberal democratic system.¹⁵

There is concern, however, that this process of democratisation will bring about instabilities since new elements are introduced into the system and the society does not have enough experience as yet to go through this process. Therefore, there is always the need to maintain some kind of balance between the demand for greater democracy and the maintenance of stability. But it is also recognised that without greater democracy, stability itself cannot be sustained.

As a neighbour and a friendly country Australia can express its concerns with developments in Indonesia and it is welcome to offer suggestions. However, this should be done in a friendly and low-key fashion so that it becomes acceptable. Employing open

pressures and criticism, especially if done in arrogant and moralistic way, would only be counterproductive. In the final analysis, it is perhaps timely now to begin to seek an international or regional consensus on how concerns about domestic developments of other countries are to be expressed, so that frictions can be avoided.

Indonesia-Australia cooperation in the military field should also be seen in the context of strategic changes in the wider region. It is possible that multipolarity, which could result in new instabilities, will force small and medium countries to cooperate in security and defence. In the future, ASEAN might develop some kind of multilateral defence cooperation, and the group might also seek some defence cooperation with Australia.¹⁶

The main obstacle to be overcome in strengthening Indonesia-Australia cooperation, including in the security field, is the lack of mutual appreciation of the different cultural values. Indonesian values are essentially communalistic, in which the interests of the community is given greater importance than those of the individual. Harmony and balance are the guiding principles, and the approach is syncretic and consensus-seeking rather than determining who wins or who loses.

The values in Indonesia are changing, but it should be noted that two-third of the population live in the rural areas where the change proceed more slowly. The younger generation in Indonesia, especially in the urban areas, has become more cosmopolitan as a result of education and the flow of information. International and foreign or new values are also being absorbed in this pro-

¹⁴Ibid., 142-143.

¹⁵Ibid.

¹⁶Jusuf Wanandi, "Peace and Security," 323.

cess. One should also note that the same process is taking place in Australia in the other direction, partly as a result of its changing demographic composition. Australia is slowly, but surely becoming part of the region through immigrants from Asia, through her education processes, as well as through deliberate government policies in the field of cultural development for the future. Therefore, both cultures and values systems are going to be more mixed in the future with some similar traits and characteristics.

As mentioned before, education and the role of the mass media is important in the development of mutual understanding and mutual appreciation between Indonesia and Australia. Indonesians are paying little attention to Australia. Although major Indonesian newspapers, like *Kompas*, has already assigned a correspondent to Australia, much more needs to be done. By the same token, Indonesia should be less stringent in allowing Australian and other foreign journalist to come to Indonesia.

The above examination purports to show that both sides need to do a lot more before their relations could be stable and improving in the future. It is already obvious why the relationship need to be strengthened. Australia's survival will greatly depend upon its relations with the countries in the Asia-Pacific region. Indonesia is one of its closest neighbour geographically. Indonesia similarly needs to open up further because it has become more intertwined in the developments of the wider region, strategically, economically, as well as politically. The political will on both sides is present at the highest level, and the main challenge is implementation in the various fields of activities in a consistent and continuous way.

Indonesia's Responses to Global and Regional Changes

As mentioned earlier, the changes that have taken place in the global and regional environments have forced Indonesia and the other ASEAN countries to formulate their responses. The direction of Indonesia-Australia security relations will be greatly influenced by these responses as well.

Global changes and current developments in the Asia-Pacific region have presented new challenges to the ASEAN countries. It is imperative for ASEAN to clearly formulate its responses to those challenges if it wants to preserve its existence, role and influence.

The new challenges are of such fundamental nature that ASEAN must reexamine its ideas and concepts which it has adopted over the past 24 years. ASEAN is now faced with new realities. The Asia-Pacific region, including the Southeast Asia sub-region, is becoming multipolar. The fundamental changes in the relations among the major powers can have profound influences upon Southeast Asia's peace and security.¹⁷

The changes that are taking place can have -- and should be directed to bring about -- positive effects upon the entire Asia-Pacific region as well as for ASEAN. The most dramatic change has been in the economic field as evidenced by the increased economic interdependence among the countries in the region and the growing regional integration in manufacturing. This has led to the need for a regional economic forum

¹⁷Jusuf Wanandi, "Global Changes and Its Impact on the Asia-Pacific Region: An ASEAN View," *Indonesian Quarterly* XIX, no. 3 (Third Quarter 1991): 228-237.

which has begun to take shape already in the form of the non-governmental tripartite PECC (Pacific Economic Cooperation Conference) process and the informal inter-governmental APEC (Asia Pacific Economic Cooperation) process. The need for a regional political-security dialogue is currently also being felt, among other things to help strengthen economic cooperation which is so vital to the region.

Bilateral dialogues have proliferated and they have contributed to the creation of an environment which is conducive to the promotion of economic cooperation. The normalisation of Sino-Indonesian relations, for instance, was to a large extent motivated by the desires on both sides to promote economic cooperation. The same kind of desire appears to be at work in the dialogues between North Korea and South Korea and between the Soviet Union and Japan.

Regional conflicts that could become an obstacle to a regional dialogue, such as in Cambodia, the Korean Peninsula, the Northern Territories and in the South China Sea, are all moving in direction involving processes that seek a peaceful resolution. It clearly is in the region's interest that these processes be strengthened. Although ASEAN's immediate interest is in the South-east Asian sub-region, this sub-region can no longer be separated from the wider Asia-Pacific region, both politically and economically.¹⁸

In view of the above developments, it seems appropriate for ASEAN to seriously review its ideas and concepts of its role and the developments of Southeast Asia in the context of the wider Asia-Pacific region.

Firstly, ASEAN needs to modify its idea and concept of a regional order for South-east Asia, known as ZOPFAN (Zone of Peace, Freedom and Neutrality), which is no longer adequate as the basis for structuring ASEAN's relations with the major powers, because the presence of the latter in South-east Asia is an integral part of its presence in the wider Asia-Pacific region.

ZOPFAN, which is based on the Bangkok Declaration (1967), the Kuala Lumpur Declaration (1971), the Treaty of Amity and Cooperation (1976), and the ASEAN Concord (1976), continues to be relevant as far as intra-ASEAN relations are concerned. During the past 24 years, the ASEAN countries have been able to avoid open conflicts amongst them although many problems remain unresolved, for instance the Sabah problem. Furthermore, as the resolution of the Cambodian conflict comes nearer in sight, ASEAN should embark on efforts to involve all Southeast Asian countries in the development of a regional order based on ZOPFAN. This could be done by inviting the countries of Indochina and Myanmar to become signatories to the Treaty of Amity and Cooperation as the legal basis of Southeast Asia's regional order. ASEAN could also begin to develop functional economic cooperation with those countries.

The Treaty of Amity and Cooperation contains measures towards the peaceful settlement of conflicts and the promotion of CBM (confidence building measures). The countries of Indochina and Myanmar could take part in ASEAN economic cooperation when their economies become compatible with the economic systems of the ASEAN countries.

On its relations with the major powers,

¹⁸Jusuf Wanandi, "Peace and Security," 322.

which is the third component of ZOPFAN, ASEAN has not had the opportunity to structure that relationship because of the outbreak of the Indochina conflict. Now ASEAN needs to re-formulate this relationship as the Southeast Asia sub-region has become an integral part of the wider Asia-Pacific region; economically, politically, as well as security-wise.

In this context it seems reasonable to propose that the regional order which is being promoted by ASEAN should also encompass -- or extended to -- the wider Asia-Pacific region. If indeed ZOPFAN is inadequate, ASEAN should develop a new concept for and a new form of interactions with all the countries in the region, including the major powers. A regional political-security dialogue is the most appropriate mechanism.

It goes without saying that the institutional strengthening of ASEAN is a prerequisite to its ability to play a greater role in the wider Asia-Pacific region.

Secondly, ASEAN should attempt to preserve the balance of power in the Asia-Pacific region, including the Southeast Asian sub-region, so that the ASEAN countries themselves need not allocate a disproportionately large part of their resources to military expenditures. National development, economic development in particular, still is the main task for the ASEAN countries whose main threats are still coming primarily from within.

US political and military presence in the Asia-Pacific region performs the role of a stabiliser in the sense of preventing other major powers to exert a greater influence in the region or to enhance their military capability which could lead to an arms race amongst the major powers. It is obvious that

in the absence of alliance with the US, Japan will feel necessary to increase its military capabilities to include even the development of nuclear weapons. This will immediately be followed by a Chinese military buildup.

The US-Japan alliance is crucial for the region's peace and stability. The facilities and bases in Southeast Asia, namely in the Philippines and Singapore, should be seen in this wider regional context. In this post-Cold War era it is not easy to convince the American public to maintain a sufficient degree of military presence in the region in order to be able to assume the role as a stabiliser.

US economic presence in the region is an important factor. Burden-sharing, especially by Japan, South Korea, Australia, and to some extent also ASEAN, is another important factor. In relation to this burden-sharing and to ASEAN's own long-term interest, ASEAN should begin to examine the needs for military cooperation. Until now cooperation in the military field is undertaken outside ASEAN and is conducted largely on a bilateral basis.

However, the existing scheme of cooperation -- or the lack of a formal, ASEAN scheme -- have brought about quite encouraging results and could become the basis for multilateral cooperation when the need arises in the future. The series of bilateral cooperation in the military field today are directed towards internal sources of threat which could be assisted from the outside in the form of infiltration and subversion. Securing border areas from possible insurgencies has been the main objective of this cooperation. In addition, this cooperation also contributes to greater CBM among the ASEAN member countries and their armed forces.

In dealing with external threats, military cooperation among the ASEAN countries need to be enhanced and widened in its scope, and should perhaps be multilateralised. This could be done gradually. Also, since such cooperation is defensive in nature and will not take the form of a military pact it will not disrupt any military cooperation that individual members of ASEAN have with outside parties, such as the Five Power Defence Arrangement or bilaterally with the US. ASEAN military cooperation could be specifically directed to the development of an ASEAN coast guard to secure the SLOCs (sea-lanes of communications) in Southeast Asia from pollution, collision, or piracy. ASEAN should seek assistance from Japan, both in the acquisition of technology and in financing, since the SLOCs are vital to Japan.

Thirdly, as mentioned earlier ASEAN should attempt to develop a regional order for the wider Asia-Pacific region. This should begin with a regional dialogue on political security issues. The ASEAN-PMC (Post-Ministerial Conference) is an existing mechanism involving most countries in the region that can initiate this process. In the past it has dealt with political issues, such as on the Cambodian conflict and the problem of Afghanistan. The ASEAN-PMC could at a later stage also invite the participation of other countries that are relevant to the regional political security scene, namely the Soviet Union, China, Vietnam, and North Korea.

The next ASEAN Summit should give a clear mandate to the ASEAN-PMC to take this initiative. Support from ASEAN dialogue partners can be secured if ASEAN's decision is made at the highest policy level. Such an ASEAN initiative could

demonstrate ASEAN's relevance for the wider Asia-Pacific region and is crucial to ASEAN's own future.

The agenda and structure of the existing ASEAN-PMC will have to be adjusted accordingly. This should not prove to be too difficult. In fact, the ASEAN-PMC is in the best position to launch the regional dialogue. APEC is new and its focus is on economic cooperation. ESCAP is too diffused in terms of its agenda and membership.¹⁹

In terms of intellectual input to the process, a series of academic exchanges are already taking place. The ASEAN-ISIS (Institute of Strategic and International Studies) and ISIS-Malaysia have recently held meetings on this subject, and the Manila Conference sponsored by the Foreign Ministries of the Philippines and Thailand was also a very successful meeting. In addition, Canadian academics are also engaged in serious studies on the security problems of the North Pacific. These exercises are a necessary part of the process.²⁰

Conclusions

In the Southeast Asia, and also in the wider Asia-Pacific, context the concept of security should not be confined to military and defence, but it should encompass all aspects of life. Similarly, Indonesia-Australia security relations should be seen to involve the totality of relations. Therefore, it is important to create a strong foundation for the development of relations among two nations that are so different in many aspects.

¹⁹Jusuf Wanandi, "Peace and Security," 320-324.

²⁰"A Time for Initiative," *ASEAN-ISIS* (June 1991).

It is almost inevitable that Indonesia and Australia will have to develop good and strong relations, not only for reasons of geography and geopolitics but also in view of the strategic and economic changes that are taking place in the Asia-Pacific region. The fundamental changes have such wide-ranging implications for the region, including for Indonesia and Australia, and it seems only appropriate that the two countries should develop parallel or even joint responses to the new challenges. ASEAN and Australia have already begun to embark on such actions as shown in their support for PECC, APEC and other regional-wide activities, including the proposed political-security dialogue. One should also note the close collaboration of ASEAN and Australia in the efforts to find a peaceful solution to the Cambodian conflict.²¹

As suggested before Indonesia-Australia relations are also influenced by the development of ASEAN-Australia relations as well as relations between Indonesia and PNG. Indonesia and Australia should clearly recognise that the differences that exist between them are quite vast. The task to be taken is not to eliminate those differences but rather to develop a greater mutual understanding and mutual appreciation of each other's values, cultures, developments, and problems. In each of the societies there needs to be a group consisting of the more enlightened individuals that are willing to assume the task of promoting better understanding. The Australia-Indonesia Institute has been established under the leadership of Bruce

Grant.²² A comparable initiative on the Indonesian side has been taken by Foreign Minister Alatas and hopefully a similar institute will be established soon in Jakarta.²³

Despite differences, relations between Indonesia and Australia can be strengthened because there are many factors that are bringing the two countries together. In the economic field, both sides have a great stake in the economic development of the wider Pacific region. Investments and services trade are areas in which much progress can be expected bilaterally. In the political field, Australia and Indonesia are not directly involved but are legitimately interested in the resolution of the Cambodian conflict and the overlapping territorial claims in the South China Sea. The two sides are also interested in promoting a regional political-security dialogue.

Regular dialogues between the two sides, involving representatives from all walks of life, are an important venue to developing mutual understanding and appreciation. The role of the mass media, as mentioned repeatedly, is crucial.²⁴ The geographic factor in Australia-Indonesia relations has become all the more important now as problems of the environment, terrorism, narcotics, migration, and the sales of mass-destruction weapons have become important new international issues. These issues should begin to be placed on the agenda of Indonesia-Australia relations.

²²Gareth Evans, "Australia's Relations with Indonesia," in Desmond Ball and Helen Wilson eds., *Strange Neighbors*, 1.

²³Interview with Ambassador Sabam Siagian, early August 1991 in Canberra.

²⁴Gareth Evans, "Australia's Relations," 1-3.

²¹Andrew MacIntyre, "Australia-Indonesia," 154-155.

The Australia-Indonesia Security Relationship: Confidence Building Measures in the Maritime Environment

R.J. Sherwood

Introduction

IT was the belief of an ancient Indian political thinker, that neighbouring states should be seen as enemies or potential enemies and the countries beyond the neighbouring states feted as friends.¹ Some would argue that this has been a characteristic of Australia-Indonesia relations in the period since 1945. Yet analysis would suggest that this is not the case. Although Australia's relationship with Indonesia may be described as being a stormy one over the last 25 years, it has been the policy, if not always the rhetoric of successive Australian governments to pursue the maintenance of sound and productive relations.

As near neighbours, historical events have shown both countries that they share some common interests and the respective

governments have consistently acknowledged the need for at least constructive relations. There are of course differences, primarily cultural but to a lesser extent political and social that have at times led to varying degrees of hostility, or at least to some of the rhetoric associated with misunderstanding and mutual suspicion.²

Both countries are maritime nations. In terms of post colonial development, comparatively young nations, dependent in the main on economic growth for their future security. Critical to this, is the free and safe passage of both theirs and the region's maritime trade, and the protection and sensible use of not only their own but the broader region's marine resources. It would appear to be a fact recognised by both governments and mirrored in the current development of their maritime resource zones and also their respective maritime capabilities.

¹Kautilya's, "Mandala Theory" as quoted in Raju G.C. Thomas, *Indian Security Policy* (Princeton: Princeton University Press, 1986), 14-19.

²H.C. MacMichael, "Australia-Indonesia Relations," *Australian Outlook* 40, no. 3 (December 1986): 139.

The Defence of Australia 1987 (DOA 87) recognises the importance of a maritime force structure to the defence of Australia and its territories and the plan to expand the force from one of 12 major surface combatants to one of 16 to 17 units. The 1991 Force Structure Review clarifies this as a maximum of 16 units, with possible reduced capability (in all probability due to fiscal constraints). *Australia's Regional Security*, the Ministerial Statement by the Minister for Foreign Affairs makes special mention of the part played by naval units in enhancing Australia's overall standing and reputation in the region in support of the nation's diplomatic efforts. Indonesia as an archipelagic nation also sees the value in a modern capable maritime force and is fast moving to modernise and expand its assets in this field.

More importantly, the 1989 Ministerial Statement *Australia's Regional Security* called for comprehensive engagement³ with our neighbours in Southeast Asia, and reinforced earlier expressed sentiments that:

"... regional security is about more than just defence preparedness and associated alliance, .. Australia must come to terms with Asia; we cannot deny our geography; a politically unstable or economically vulnerable region is a potential threat to Australian national security".⁴

Recent statements by government representatives and academics in the area have supported these sentiments and hinted at some possible ways this might be achieved by

³Senator Gareth Evans, *Australia's Regional Security* (Canberra: AGPS [Australian Government Publishing Service], 1989), 175 defines 'comprehensive' in that there should be many elements in the relationship, and 'engagement' because it implies mutual commitment between equals.

⁴Senator Gareth Evans, "Australian Foreign Policy: Priorities in a Changing World," *Australian Outlook* 43, no. 2 (August 1989): 9.

engaging in "confidence building measures" as a means of promoting closer security relationships, especially with Indonesia. Senator Evans led the way when, addressing the Conference on "Indonesia's New Order: Past, Present and Future", in Canberra on 4 December 1989, he noted that "Australia-Indonesia relations had entered a new period of confidence building, a period of practical cooperation for concrete results". More recently Prime Minister Hawke, in delivering the Asia Lecture "Australia's Security in Asia" to the Asia-Australia Institute, UNSW (University of New South Wales) Sydney on 24 May 1991, noted the predominant maritime nature of the region and that bilateral and multilateral discussions could lead to confidence building measures (CBMs). Senator Gareth Evans in his address, "Australia's Regional Security Environment," to the SDSC (Strategic and Defence Studies Centre) 25th Anniversary Conference on 31 July 1991 highlighted a number of CBMs that he considered relevant to fostering better security cooperation in the region. In the academic arena it was the subject of a paper "An Australian Perspective on Maritime CSBMs in the Asia-Pacific Region" delivered by two eminent scholars Desmond Ball and Commodore W.S.G. Bateman to the workshop on Naval Confidence Building Regimes for the Asia-Pacific Region in Kuala Lumpur, July 1991.

Additionally, statements by prominent Indonesians (both academic, military and diplomatic) tend to support the view, that the opportunity to place the relationship between the two neighbours on a sounder footing, would never seem better. The Timor Gap Treaty would appear to have been a step in the right direction as have recent bilateral military talks. Yet there remain some funda-

mental differences. As maritime nations both Indonesia and Australia should have much in common in the new uncertain global arena. Perhaps a greater emphasis and effort on fostering those common interests in the maritime environment may go part of the way to establishing a better security relationship.

The aim of the essay will be to evaluate areas where confidence building measures in the maritime environment may be a benefit to the Australia-Indonesia Security Relationship.

National Interests in the Maritime Environment

Australian Interests

Australia is a maritime nation that shares no common land borders. Our forebears came by sea and understood the sea and its importance to their economic well-being. First recognised in the early days of the Australian colonies and clearly enunciated in 1941 by John Curtin,⁵ but often forgotten since, any real threat to Australia's sovereign security must in the first place come from the sea.

Although historically, a high proportion of our population has lived along the eastern and south-eastern seaboard, changes in both the composition and the direction of Australia's trade (essential to our economic

development)⁶ have occurred over the last two decades. This has had the effect of directing at least some security analysts' attention to the north and north west and more importantly the surrounding maritime environment. Total trade comprises of over one third of the nation's GDP. This important national interest, along with its relationship to maritime law, is recognised by at least some at the highest levels of government, as reflected in the following statement to the media by the then Minister for Defence, in December 1987:

"as a major trading nation Australia has a clear national interest in upholding the principle of supporting safe civilian shipping and of the freedom of navigation on international waterways".⁷

Added to this are the wealth of natural resources, primarily petroleum based products on the continental shelf abutting the north western and northern coastlines of Australia, and the living resources of Australia's 200 nautical mile Fishing Zone (AFZ). There also remains the ongoing concern of the intrusion of foreign nationals onto Australian soil.

In terms of military threats, DOA 87 recognises the fundamental fact that any conventional military attack would be launched against our north coast and its maritime ap-

⁶Paul Dibb, *Review of Australia's Defence Capabilities* (Canberra: AGPS, 1986), 30, suggests that there is a tendency to overestimate the importance of trade to our national economy and notes that the export share of Gross Domestic Product (GDP) fell from 20 per cent to 13 per cent in the period 1953-1983. This statistic rather than supporting an overestimate of the importance of trade to the national well-being, perhaps explains why the nation has experienced such a large comparative decline in economic development and continues to do so.

⁷Kim Beazley, Minister for Defence, *New Release* No. 198/87 of 10 December 1987.

⁵The importance of the maritime environment to the defence of Australia was something clearly recognised by John Curtin in the period prior to World War II and has been further expanded upon in previous article by the author, John Curtis and a Maritime Strategy Circa 1941, *Journal of the Australian Naval Institute* (August 1991).

proaches, and that as a corollary to this, there exists the fundamental importance for Australia of maritime forces.⁸ Perhaps more importantly it recognises the strategic significance of the Indonesian “archipelagic chain, which is the most likely route through which any major assault could be launched against Australia” and that “it also lies across the important air and sea routes to Europe and the North Pacific”.⁹ In reference to Australia’s trade it recognises that:

“Disruption to Australia’s trade could occur in a range of other circumstances, and in particular in those contingencies assessed as credible in the shorter term. Important Australian trade passes through choke points in the archipelago to our north and these passages could be denied to us even during lower levels of conflict. In those circumstances, there would be options for re-routing shipping clear of the archipelago. Economic costs would be involved which, without Government subsidy, could adversely affect the competitiveness of our exports that normally pass through the archipelago”.¹⁰

Both DOA 87 and the more recent Force Structure Review highlight the importance of other vital factors in the maritime environment. The surveillance of Australia’s maritime approaches and the need to have a detailed knowledge of the marine environment as fundamental to Australia’s commercial interests and to the safe and effective conduct of maritime operations. DOA 87 also clearly stresses the importance of our area of direct military interest, which it defines as including “Australia, its territories and proximate ocean areas, Indonesia ...” Paradoxically, it also paints a picture of introspection and of being a defence

policy aimed at the region and not in concert with the region. To this end, in developing and exercising capabilities, some within the Australian security hierarchy have perhaps conveyed the impression to our nearest neighbour Indonesia (or is it Kamaria) that it is a policy based on Kautilya’s “Mandala theory”.

This is however, hopefully not the case, or would at least appear not to be, in the rhetoric of senior members of the political decision making elite. Dobb in 1986 clearly recognised the importance of co-operation with our regional neighbours, “in the development of their defence capabilities”, in exercising and training with them and in promoting “a sense of shared strategic interest”. He further noted the importance of Indonesia as a “protective barrier to Australia’s northern approaches” and conversely the importance of Australia to Indonesia as “a stable and non-threatening country on Indonesia’s southern flank”. More importantly that: “These shared strategic interests and our common concerns for regional security, free from interference by potentially hostile external powers, support a co-operative bilateral relationship”.¹¹

DOA 87 notes that: “Australia seeks to maintain a sound and constructive defence relationship with Indonesia”.¹² Senator Evans in his “Regional Security” statement further stresses that: “The capability of Australia’s armed forces should be seen as having relevance not only for the defence of Australia, but for the region as a whole”. He further notes that: “In making judgements about where to deploy non-military policy instruments in support of our security con-

⁸DOA 87, par. 265.

⁹Ibid., par. 2.35.

¹⁰Ibid., par. 3.29.

¹¹Dobb, *Australia’s Defence Capabilities*, 48.

¹²DOA 87, par. 2.37.

cerns, geography dictates that Indonesia and PNG must be our first focus ..."¹³ Finally, the Prime Minister in May of this year endorsed the sentiments of his Ministerial colleagues in noting that: "Instead of seeking security from Asia, we should seek security in and with Asia".¹⁴

All of this highlights a growing maturity in Australian security policy, which has been aimed in the last three to five years at steadily improving its standing in the region and its relationship with Indonesia. Since Kim Beazley's visit to Indonesia in 1986 to assuage any misunderstanding arising from the Dibb review and Gareth Evans' visit in late 1988, Australia has been steadily rebuilding the foundations of the relationship. The Memorandum of Understanding on traditional fishing, the Australia-Indonesia Institute, the Australia-Indonesia Ministerial Meeting and a host of bilateral discussions and conferences have been to date part of this process.

Indonesian Interests

Indonesia has for a long time being at one with her maritime heritage. As one prominent Indonesian has recently put it:

"The oceans have always been important to Indonesia in relation to trade, navigation, fishing, shipping, recreation and many other uses. As an archipelagic State, Indonesia, which lies between the Indian and Pacific Oceans, and the Asian and Australian continents, is of strategic importance and holds an important position in ocean affairs".¹⁵

All of the main trade routes from the Indian Ocean and from northern Australia pass

through the Indonesian archipelago. Perhaps what is less understood, is that the majority of these navigable routes pass close to Indonesian territory and through a maritime environment that in some other parts of the world, serves to invoke very restrictive navigational regimes, through the use of such mechanisms as traffic separation schemes or the provision of compulsory pilotage.

The nations archipelagic outlook, commonly referred to as the nations national outlook is based on the understanding that the archipelago is a "sea studded with islands, implying that the sea element is larger than the land element" or "a group of islands and other natural configurations which are interrelated closely, so that they form intrinsically a geographic and political unity".¹⁶

The doctrine of national resilience, which forms the concept of Indonesia's security is based on the philosophical outlook of Pancasila and the historical experiences of the struggle for independence and bringing the archipelagic state together as one whole. It is a concept which includes not just the military dimensions of security, but also the other inseparable and essential components such as domestic political stability, economic development and a sense of national pride and mission.¹⁷ More importantly, the con-

¹⁶"National Resilience" issued by Indonesia's Institute for National Defence (*Lemhanas*), Jakarta, November 1974 and quoted by Major General Subijakto, *Indonesia's Perception of SLOC in Southeast Asia*, an address to the Sixth International Conference on the Security of SLOC (Sea Lanes of Communication), Melbourne, October 1988.

¹⁷Gordon Robert Hein, *Soeharto's Foreign Policy: Second Generation Nationalism in Indonesia* (Doctoral Dissertation, UMI, Ann Arbor, 1986), 28.

¹³Evans, *Regional Security*, pars. 69 & 47.

¹⁴Prime Ministerial address, *Australia's Security in Asia*, 3.

¹⁵Etty R. Agoes, "Indonesia and the LOS Convention," *Marine Policy* 15, no. 2 (March 1991): 122.

cept of Pancasila is seen by the political elite as dictating that in her foreign policy dealings "Indonesia has to establish good co-operation with other countries on the basis of independence, equality, respect for each other's independence, territorial integrity and sovereignty as well as mutual interest".¹⁸

Since achieving independence in 1947, Indonesia has understood the role that can be played by naval forces in supporting the nations national interests, especially in her large, essentially maritime environment. Additionally, the concept of national resilience recognises the need to develop security across the broad spectrum. Further through a concept of regional resilience, develop a spirit of regional solidarity, cooperation and loyalty, capable of coping with all threats and challenges coming from within as well as without.¹⁹ As a national outlook it would appear to support the development of well balanced and efficient maritime forces, commensurate with each country's security needs, as an imperative for regional security, and essential to the individual security of each nation.

More importantly it would seem to have recognised that the daily employment of a nation's naval forces is but one of the tangible methods of highlighting to the rest of the world the importance that a country places on the maritime environment and the resources contained within. As Indonesia has maintained for many decades, such matters as a universal accepted convention for dealing with matters in the maritime environ-

ment be they security or safety related is also of the utmost importance.

It is in the area of maritime interests, that for some time now, Indonesia as been putting out signals, as to what she sees as important. In 1985, Dr. J. Soedjati Djiwandono noted "the importance of sea lanes of communication on which depends the survival of so many countries whose lives rely so heavily on trade, the supply of energy, food and other materials imported from overseas and transported by sea".²⁰ In looking at the problem he highlighted the relevance of the new Law of the Sea (LOS) regime and the threats to regional security that could arise not only from political condition but also from navigational and environmental conditions.

Major General Subijakto again reiterated these points in 1988 and further noted areas for cooperation among regional neighbours as being in the: (1) assistance and training of Indonesian personnel in the task of maintenance and safeguarding of straits used for international passage; (2) joint exercises to familiarise the personnel of neighbouring states with their own and other's systems to allow smooth cooperation and action when required to guard their common interests; (3) assistance and cooperation in carrying out surveys and other activities to update charts and help guarantee the safe navigation of shipping in the region; and (4) assistance to Indonesia in acquiring the modern equipment that is necessary to ensure safe navigation.²¹

¹⁸Kirdi Dipoyudo, "Foreign Policy Based on Pancasila," *Indonesian Quarterly* XV, no. 4 (October 1987): 673.

¹⁹Subijakto, *Indonesia's Perception*, 6.

²⁰J. Soedjati Djiwandono, "The Security of Sea Lanes in the Asia-Pacific Region: The Prospects of Regional Cooperation," a paper delivered to International Conference on SLOC in the Asia-Pacific Region, May 1985, published in the *Indonesian Quarterly* XIV, no. 1 (January 1986): 46-54.

²¹Subijakto, *Indonesia's Perception*, 17-18.

In 1990, the Indonesian delegate to the Western Pacific Naval Symposium, highlighted the need to find solutions to the ratification, operation and implementation of LOS and noted the requirement to give more attention to the safety of navigation. Further he proposed regional cooperation on the protection and preservation of the marine environment, and in marine scientific research especially for economic development. The issue of ASEAN cooperation in the area of SLOC (Sea Lanes of Communication) security, especially from pollution, collision, or piracy was raised by the Indonesian speaker to the 25th Anniversary Conference of the Strategic and Defence Studies Centre (SDSC) in July 1991.²² More importantly Indonesia's desire to see greater cooperation from her neighbours in these areas was raised by the Indonesian Foreign Minister, Mr. Alatas at the Bandung Conference on Maritime issues in the South China Sea in mid-1991, raising the further issue of co-operative surveillance. Earlier in the year at the Air Power Conference hosted by the RAAF (Royal Australian Air Force) in Canberra, Brigadier General Soedibjo had also flagged the importance of, regional collaboration in technical areas as a confidence building measure.²³

Areas for Mutual Cooperation

If these signals are to Australia, then it would appear that the time is right to act,

²²Jusuf Wanandi, "Australia-Indonesia Security relationship," a paper presented to the 25th Anniversary Conference SDSC, Canberra, July-August 1991, published in this current edition of the *Indonesian Quarterly*.

²³Brigadier General ret. Soedibjo, "Independence or Alliance: A View of Regionalism and Its Influence on Air Power," in Alan Stephens ed., *Smaller But Larger* (Canberra: CGP [Central Government Press], 1991), 122.

and perhaps to act differently from the way we have in the past. As noted by one commentator in 1983, the initiative in the Indonesian-Australian relationship lies mainly with Indonesia and that Australia will have to adjust its foreign policy in response to events in Southeast Asia if we wish avoid being isolated from ASEAN.²⁴ Perhaps we need to remind ourselves more often that Australians looking north at once encounter Indonesia; Indonesians looking north turn their backs on Australia, and try to avoid comments like that attributed to Adam Malik, that "Australia is an appendix in the abdominal cavity of Southeast Asia. You only know it's there when it hurts".²⁵

Through the concept of regional resilience the political elite in Indonesia are trying to lead the way in ASEAN security, something which has been a long term interest of Australia. It would appear however, that they are also signalling to Australia that it has a part to play. It may well be that, this is a means of assisting Indonesia in its security goals for the region. Regardless of any hidden agendas, it is of vital importance for Australia to be a player and as such should be responding to these signals.

Indonesia may well be trying to tell Australia that high level talks, academic and or bureaucratic institutes and conferences, or even joint military climbing expeditions²⁶ are fine, but that there are many

²⁴Peter Britton quoted by Budiono Kusumohamidjojo, "The Indonesia-Australia Relationship: Problems Between Unfamiliar Neighbours," *Australian Outlook* 40, no. 3 (December 1986): 147.

²⁵J.S. Holloway, "Australian-Indonesian Relations," *AFAR* [Australian Foreign Affairs Record] (September 1986): 794.

²⁶Heralded by the Australia Chief of Defence Force at the 25th Anniversary Conference of the SDSC, Canberra, July-August 1991, as a fine example of greater

more tangible areas for cooperation especially in the maritime environment. The Timor Gap Maritime Boundary Agreement, is undoubtedly, an historic agreement for both countries, although not without some possible future problems for Australia.²⁷ Yet it was an agreement made after some 17 years of vacillation, mainly on the part of Australia. In 1984, the then Indonesian Foreign Minister, Dr. Mochtar Kusuma-Atmadja, when commenting on the matter noted that Canberra and Jakarta would have to make a decision, that it would be difficult to continue the way they were, basing arguments purely on technical and legal data, and that it required a political decision to resolve the issue. It would require the making of a compromise, but he saw little sign of readiness from Australia to do this.²⁸

It would now appear that the opportunity exists for more compromises and to extend the degree of mutual cooperation into the areas such as LOS, maritime safety and security, maritime resource management, maritime surveillance and technical collaboration, as a means of building confidence

cooperation between the two nations, although in his prepared paper he did note the practical interests in contiguous seas and agreed joint management areas provide additional incentive for cooperation in maritime surveillance.

²⁷As noted in Anthony Bergin, "The Australian-Indonesian Timor Gap Maritime Boundary Agreement," *International Journal of Estuarine and Coastal Law* 5, no. 4 (1990): 390, the Portuguese have regarded "the treaty as violating the right of the people of Timor to self-determination and their sovereign right to their resources, as well as disregarding Portugal's status on the matter". They have submitted their memorial on the matter to the International Court of Justice although it is unlikely the case will be heard much before early 1993.

²⁸Michael Richardson, "Timor Rift Remains," *Far Eastern Economic Review* (19 April 1984): 42.

towards an improved security relationship with our nearest Asian neighbour.²⁹

Law of the Sea

When after a long negotiating process, the UN Convention on the Law of the Sea (UNCLOS) was adopted and subsequently signed by one hundred and fifty nine states at Montego Bay, Jamaica in 1982, it represented the culmination of a tremendous diplomatic effort by Indonesia, who under the leadership of their then Foreign Minister, Mochtar Kusuma-Atmadja, had been so instrumental in developing and garnering international support for it, over many years. Unfortunately under international law it needs to be ratified by sixty nations before it comes into force. To date this has not been achieved with less than fifty nations providing ratification and the bulk of those, developing nations. The main objections, raised by the developed nations, has been to do with that part of the Convention that deals with Deep Seabed Mining (DSBM) and more specifically the management of that under the International Seabed Authority (ISA). It would appear that on this issue "Australia has taken the view that it is in its long term interest to insure that DSBM is regulated within the framework of the LOS Convention",³⁰ and has attempted to play a

²⁹Although both the Australian Prime Minister during his address to the Asia-Australian Institute and the Foreign Minister in a later address to SDSC referred to the handling of naval incident at sea, they are not considered here as, in the author's opinion, suggest that some form of Cold War like tension exists between the two nations, which events to date would suggest not to be case.

³⁰Anthony Bergin, "The Politics of PrepCom: Australia's Role," *Marine Policy* 1, no. 4 (October 1987): 312.

leading role in finding consensus between the two sides on the issue.

Yet LOS means more to Indonesia than just the management of ocean resources. In giving recognition to her archipelagic state concept, it recognises the key element of Indonesian national outlook. A concept on territorial and national unity, "which regards Indonesia as an inseparable union of land and water (*tanah-air*)" and first muted in 1957.³¹ More importantly the extension of territorial seas to 12 nautical miles and the concept of archipelagic sea lanes passage has given Indonesia greater control over the exploitation, use and security of her archipelagic waters.

Viewed in this light it is perhaps understandable that Indonesia has exhibited signs of impatience with the western bloc and especially her nearest neighbour over a failure to ratify the Convention and in so doing give recognition to Indonesia's core concept of national unity. Much has been made of the temporary closure of Sunda and Lombok Straits in September 1988, but rather than been seen has some hidden agenda by Indonesia to push the archipelagic regime further than embodied in UNCLOS,³² it perhaps could be seen as a message to Australia (at the time conducting a major naval review with primarily her western allies), of a growing impatience over the whole UNCLOS issue. Many will see this proposition as having little merit and will argue that the more likely scenario was one of an administrative misunderstanding or even power struggle, whereby the Indonesian

military took action without fully consulting the civilian policy makers and that it was in no way intended as an external signal.³³ Yet, Indonesia has long argued that the whole concept of UNCLOS is one of a total package and that individual nations cannot pick the eyes out of it as they so choose. One cannot help but sympathise with their views that western alliance nations are acting in bad faith when they try to argue that archipelagic sea-lanes passage is customary law.

Australia has been quick to invoke International Conventions in introducing measures to safeguard the nation's maritime environment. Compulsory pilotage in the Great Barrier Reef being the most recent example. Working towards a satisfactory agreement on archipelagic sea-lanes with Indonesia, as has reportedly been recently achieved with the Philippines,³⁴ may well require some compromises. Australia has been happy to do this in the past and is one of those nations referred to by one commentator,³⁵ that has met previous demands for notification of transit by warships, through informal contact between naval staff. Perhaps the acceptance of a lesser number of designated routes under an archipelagic sea-lanes concept may well be the price that has

³¹Etty R. Agoes, "Indonesia and the LOS," 129.

³²Donald R. Rothwell, "The Indonesian Straits Incident: Transit or Archipelagic Sea Lanes Passage?," *Marine Policy* 14, no. 6 (November 1990): 506.

³³Bob Lowrey in an unpublished paper, *Why Indonesia Closed the Straits in September 1988*, Mdef studies program ADFA (the Australian Defence Forces Academy), October 1991 argues that this is implausible, and that although the Cabinet and Department of Foreign Affairs may not have been consulted, the military would not have taken such action without the explicit or implicit authority of the President.

³⁴"The Law of the Sea," *Maritime Studies* 58 (May/June 1991): 16.

³⁵D.P. O'Connell, *The Influence of Law of the Sea on Sea Power* (Manchester: Manchester University Press, 1975), 140.

to be paid in helping to foster confidence between the two nations. The nature of Indonesian archipelagic waters are such, that safe passage for other than shallow draught vessels, is restricted in any case to three or four well known north-south routes and one east-west route.

It terms of the ratification of the treaty the precise reasons for Australia's failure to ratify remain a little hazy. The official line appears to be one that is linked to the provisions of DSBM and the financial burden that Australia as a member of the developed nations may face in the administration of the ISA. Once again it is an area where Australia perhaps should reassess the cost/benefit, as ratification would go a long way to reducing any ambiguities about Australia's position and be but another measure that could build confidence in the Australia-Indonesia relationship.³⁶

Maritime Safety and Security

Admiral S.G. Gorshkov writing in 1976, highlighted the problems of combating pollution of the oceanic environment, and the need of all to make efforts to forestall the dangers it brings.³⁷ For maritime na-

tions, so dependent on the maritime environment for much of their well-being, the security of the oceans from pollution and thus the safety of shipping is of the utmost importance to both Australia and Indonesia. Recent tanker disasters such as that of the Exxon Valdez off Alaska and the Bahair Paraiso have served to highlight this problem. To many Australians the more recent problems encountered by the Greek tanker Kirki off the West Australian coast were an even more grim, if not so disastrous a reminder. What is less evident to many Australians is that if the problem had occurred whilst the Kirki was transiting the Indonesian archipelago the consequences would have been catastrophic.

Both nations have an interest in ensuring that the risk of this happening is minimised, whatever the efforts required. One way of achieving this would be through cooperative efforts of monitoring the passage of all shipping through their combined maritime environment and exchanging information, especially in relation to safe navigation practices and safety standards being exercised by all flag shipping visiting their respective ports. Australia through the Australian Maritime Safety Authority has a system of merchant ship reporting -- AUSREP (the Australian Ship Reporting System) -- designed primarily to assist in search and rescue in the case of an accident, but serving a secondary purpose of providing information on shipping movements. While Australia has in the past been reluctant to impose reporting requirements and restrictions on foreign flagged vessels the evolution of AUSREP and recent restrictions on movements within the Great Barrier Reef, show a realisation that some control in the interest of environmental security and safety are becoming essential. The establish-

³⁶At the Law of the Sea -- Implications for Regional Security held at AIIA (Australian Institute for International Affairs) in Canberra on 18 October 1991, a representative of the Australian Attorney's General Department suggested that it was the potential cost to Australia, under the provisions of DSBM which was the biggest stumbling block to ratification. What could be of more concern for Indonesia was that at the same conference a member of the Legal Office Australian Department of Foreign Affairs and Trade suggested that archipelagic regimes did not have any legal status until such time as UNCLOS III has been ratified.

³⁷S.G. Gorshkov, *The Sea Power of the State* (Annapolis: Naval Institute Press, 1976), 24-27.

ment of an Exclusive Economic Zone (EEZ) as recently announced, will under UNCLOS, give Australia enhanced powers to control shipping within her maritime surrounds.

No doubt many would argue the unique heritage value of the Great Barrier Reef, in support of some of these measures, but undoubtedly other nations and especially Indonesia value their maritime environment, if not for the same reasons then with the same determination. Australia in some respects has shown the way in this field and the provision of expertise and exchange of ideas in assisting Indonesia to institute similar regimes would provide another aspect to confidence building in the relationship between the two neighbours. A system that resulted in the free exchange of information on shipping movements in the region would be invaluable in assisting both nations to develop the intelligence and surveillance pictures that form part of their wider security.

Australia has long known of the importance of good hydrographic and oceanographic knowledge in the support of safe commercial navigation and assisting in exploitation of marine resources. Yet resources have not always been allocated to the task and while the present usual shipping routes are generally well covered, the maritime approaches to our north could be said to be not so adequately covered.³⁸ From the author's experience the same can be said of the Indonesian archipelago, with many of the surveys dating from pre-World War II.

³⁸The inadequacies of Australia's hydrographic effort are more than well noted in the Inspector General's Program Evaluation of the Hydrographic Service, RAN (Royal Australian Navy) 1990. Unfortunately recent capabilities have been channelled towards coastal and inshore efforts with little regard given to the opportunities to support national interests by providing more than taken support in the wider region.

While the Indonesian navy is expanding its hydrographic capability, the need for further outside assistance is obvious. To date this is being supplied by nations from outside the region,³⁹ and the opportunity clearly exists, most notably in the waters of the Arafura Sea and the passages leading to the West of Irian Jaya, for a cooperative effort. Perhaps a greater effort on Australia's part may help to overcome some of the problems experienced in getting access to Indonesian hydrographic products.⁴⁰

Maritime Resource Management

Although the yield per unit of surface area of the living resources of the region are small in comparison to some of the more developed areas of the world this has been in part due to the methods of extraction which are traditional in nature and usually labour intensive. They do however represent an important factor in the lives of many of the coastal communities. Over the last few decades non-regional powers have introduced more modern techniques for extracting these resources,⁴¹ and this must be of

³⁹To date the Japanese have been involved in survey support in the Malacca Straits and the United States in the waters to the east of Sulawesi.

⁴⁰While both nations are members of the International Hydrographic Organisation which provides for free exchange of hydrographic information, under international law both hydrographic services can be held legally liable for the products they distribute. Perhaps as new player to the game this has weighed on Indonesia. The Australian hydrographic service has a long tradition of professionalism in its trade, and would be well placed to provide the sort of support Indonesia is seeking.

⁴¹V.L. Forbes, *The Law of the Sea and Its Implications in the Indian Ocean Context, in Oceans and Violence* (Perth: Curtin University of Technology, 1987), 73.

concern to both Australia and Indonesia. The declarations of 200 nautical mile fishing or economic resource zones have placed added pressure on both countries to manage their resources. Unfortunately what one does, cannot be in isolation of the other. As noted in 1981, closure of areas of the AFZ to Taiwanese gillnetters placed added pressure on fishing in the area of Kepulauan Aru south of Irian Jaya and within the Indonesian 200 mile fishing zone.⁴²

The comparatively early recognition of the importance of the living resources in its maritime environment⁴³ has helped Australia develop a fairly sound management policy. Recent articles on purse seine fishing in the Java Sea,⁴⁴ noting that while marine fishing is seen by the Indonesian government as offering further substantial growth potential, had in context of the Java Sea reached a level of extraction above the minimum sustainable yield by 1985, and has most certainly continued to increase. This again would seem to offer a viable area where Australia's expertise could be put to use in assisting her nearest neighbour. Further avenues for joint venture marine resource exploitation may also present themselves over time.

Recent talks between the two countries on cooperation in this area are a step in the

right direction. Care must be taken that efforts move ahead from here. Active involvement by Australian industry must be encouraged so as to broaden the links between the two nations in this important resource area, and to ensure that cooperation is more than mere rhetoric.

Maritime Surveillance

From a security point of view the policing of the respective resource zones is a major problem for both nations. Australia has had significant experience in this field, with the navy's patrol boat force, civilian coast-watch aircraft and on a more broader surveillance front the Maritime Patrol Group of the RAAF (Royal Australian Air Force). This would seem an obvious place to broaden the scope of cooperation between the two nations and foster confidence in each other. Initially it could take the form of expanded surveillance, from that all ready envisaged under the Timor Gap Treaty, and include coordinated patrols by either surface vessels or aircraft in the Timor and Arafura Seas. The free and mutual exchange of information and the interchange between personnel involved could only help foster greater understanding between the two nations.

The possibility may then exist to extend this to Australian assistance in surveillance and training in the wider Indonesian archipelago. Sometime into the future joint surveillance out into the South China Sea could follow using Australian assets, supported by Indonesian personnel and ground support services for aircraft, and port facilities for ships. This may prove to be a satisfactory precursor to a possible wider regional based surveillance regime.

⁴²Peter Millington and David Walter, "Prospects for Australian Fishermen in Northern Gillnet Fishing," *Australian Fisheries* (September 1981): 3.

⁴³A Senate Standing Committee on Trade and Commerce inquiry into the Australian Fishing Industry in 1982 recognised the growing importance of marine produce as an export income earner to Australia, but also noted that Australia's fishery resource base was not large by world standards due to the relatively poor nutrient base in the waters adjacent to Australia.

⁴⁴J.K. McElroy, "The Java Sea Purse Seine Fishing," *Marine Policy* 15, no. 4 (July 1991).

Technical Collaboration

Australia as a comparatively more industrialised and developed nation, has much to offer Indonesia in areas of technical assistance and collaboration. In terms of Vessel Traffic Management (VTM), an Australian company CEA Technologies, has recently worked in cooperation with an Australian subsidiary of a German company, Krupp Atlas, in installing a VTM system for the Port Melbourne Authority. Such fledgling Australian companies should be encouraged and where necessary given government assistance to provide that type of expertise to the region.

In the area of military hardware both nations have common systems employed in the maritime environment. While the more grandiose side of Australian defence industry has perhaps failed to live up to the prospects expected of it in DOA 87, there is room for the industry to develop niche areas. One project that does come to mind, is the maintenance of the weapon system. Perhaps initially, the provision of technologically expertise could be offset by contract work in Indonesia, in such labour intensive areas as ship husbandry. To be successful though any such arrangements must lead to exchanges of technical information and ultimately collaborative ventures.

Conclusion

As Jusuf Wanandi has suggested, being neighbours has its geopolitical consequence in that it requires the two nations "to live together in peace and to develop normal relations". It requires a sense of mutual understanding, "a sense of take and give", cooperation in as many areas as possible. A normal relationship being "important for the development of a sustained security relationship", but not meaning that normal re-

lations necessarily have to exist in all fields for that security one to develop, and that perhaps "efforts to seriously develop a security relationship could also bring about normal relations in other fields".⁴⁵

The Australia-Indonesia relationship is an extended one, and although not without its problems, one that both governments have in general, tried to maintain as a constructive one. Indonesia remembers its supporters from the days of its anti-colonial struggle⁴⁶ and although it now may be seen as a competitor in regional politics with Australia for middle power status, would appear to be much keener to have Australia on board as a partner. This partnership however must be on Indonesia's terms and not a mirror of some western or European model. To this extent, Indonesian rhetoric and action, has signalled to Australia, that in respect to and from Australia, it wishes to see perhaps more action and less rhetoric.

It is Australia's maritime capabilities and assets that offer a particularly convenient way in which to pursue this cooperative approach. Invariably, joint operations in the maritime environment usually seem to involve fewer complications and cause less friction to local sensitivities than those in the land environment.⁴⁷ Maritime assets are

⁴⁵Jusuf Wanandi, "Indonesia-Australia."

⁴⁶As Hein notes it is quite common for Indonesian officials in semi-formal circumstances to express some forgiveness of Australia for her meddling in Indonesia internal affairs due to remembrance of Australia's supportive role in the UN Good Offices Committee in 1947, see Hein, *Soeharto's Foreign Policy*, 17.

⁴⁷Senator Evans in *Regional Security*, par. 87, correctly, identifies the problems associated with a military presence and its possible effects on local sensitivities. Unfortunately he seems to have not considered the clear differentiation between the maritime environment and the land environment.

generally small enough to permit assignment and amiable deployment of modest national contributions, and are sufficiently self contained organisational entities that they avoid many of the problems of reconciling divergent national ways of conducting the more minute aspects of human relations.

It is in this environment, that the way would seem to be clearly open, for the two neighbours to put to rest any criticism of having embraced the "Mandala theory" and to embark on a series of cooperative efforts

that can but only build confidence and promote a better security relationship. Perhaps most importantly, closer cooperation in the maritime environment between Australia and Indonesia, may provide the model on which greater cooperation in the maritime environment of the wider region may be built. It is in the national interests of both countries to ensure that the entire Southeast Asian region and especially the maritime environs that surround it remain secure from both internal and external threats across the broad security spectrum.

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Australia's Defence Relations with Indonesia

Michael O'Connor

Introduction

AS neighbours, the destiny of both Australia and Indonesia is entwined irrevocably for better or worse. Yet, as neighbours, the two countries can hardly be more different in their historical and cultural experiences. On the assumption that close and friendly relations are better for both countries, the challenge is to work out how such relations can be built-up. This article will concentrate on the security relationship because that is where the Australia Defence Association's interests lie but, clearly, the wider relationship is certainly more important in the long run.

The following article is based upon a submission written by the author for the National Council of the Australia Defence Association to The Joint Committee on Foreign Affairs, Defence & Trade of the Australian Parliament.

Background

Geography

Australia's security relationship with Indonesia is driven primarily by the geographic proximity of the two countries. Indonesia is a nation of some 195 million people,¹ the fourth most populous in the world since the break up of the Soviet Union. By contrast, Australia is a country of relatively small population despite being almost four times as big as Indonesia in area.²

Of more significance is the fact that Australia's traditional security policy has been driven by a desire, conscious or otherwise, to ensure that no enemy can acquire bases for an assault on Australia anywhere in the string of islands extending from Sumatra (and Peninsula Malaysia) through Indo-

¹*World Defence Almanac 1990-91* (Bönn: Mönch Publishing Group, 1991), 217.

²*Encyclopaedia of the World* (London: Orbis Publishing, 1981), 26.

nesia, Papua New Guinea and the South Pacific island states to New Zealand. This is Australia's shield and the so-called policy of forward defence was designed simply to maintain that shield.

That was and is a rational policy, the maintenance of which transcends any temporary difficulties in Australia's relations with Indonesia. It should remain one of the core elements of any Australian security policy until the strategic position which has been established vis-à-vis Indonesia is irretrievably lost.

The Trade Routes Factor

A subset of the unchanging geographic relationship is the fact that a large proportion of Australia's overseas trade passes through the Indonesian Straits of Lombok, Ombai and Wetar. In 1984, 147.9 million tonnes of exports and 6.8 million tonnes of imports passed through these Indonesian Straits. This was 70 per cent of all export and 30 per cent of all import tonnage.³ Australia's overseas trade represents 27 per cent of its Gross Domestic Product.⁴ At least as much again would be accounted for by import and export dependent industries so that more than half Australia's economy is directly or indirectly dependent upon secure shipping.

Of less direct significance is the fact that Australia's north east Asian trading part-

ners, Japan, South Korea, China and Taiwan, also rely heavily upon trade through the Indonesian Straits, especially Malacca and Sunda as well as Lombok. According to retired Admiral Manabu Yoshida, in Japan's case alone more than 380 million tonnes of imports -- or 64 per cent of the total -- passed through the Indonesian Straits in 1985.⁵ Any substantial or sustained interruption of what are largely strategic imports such as oil, iron ore, bauxite, coal, nickel and wheat for these countries will have an inevitable flow-through effect on Australia's economy.

Thus the security of merchant shipping through the Indonesian Straits represents a fundamental Australian security interest. That most of the ships are not Australian flag ships is irrelevant; the cargoes are of primary concern to Australia. Indeed, the fact that the ships may fly a foreign flag while carrying Australian cargoes has the potential to involve Australia in conflicts between other countries.

History

Australia's security interest in Indonesia predates Federation in 1901 but became significant only in 1942. Australia made a valiant but fruitless attempt to support the Dutch resistance to Japan's invasion with naval, air and ground forces engaged in Java, Ambon and Timor. Losses of men and ships were substantial. After the Japanese occupation, Australian special forces units operated for more than a year in Timor and, later, carried out a number of clandestine

³Directorate of Naval Force Development, *An Analysis of Trends in Trade and Shipping* (Canberra: Department of Defence, Navy Office, Attachment H., 1986).

⁴*Pocket Year Book Australia 1990* (Canberra: Australian Bureau of Statistics, 1990), 90-93.

⁵Quoted in Malcolm Kennedy and Michael O'Connor, *Safely by Sea 1991* (Lanham: University Press of America, MC, 1991), 41.

raids in the archipelago. Late in 1994, strategic air attacks against mainly oil and shipping targets in the Indonesian archipelago were carried out from northern Australian airfields. Apart from the first Japanese air raids on Darwin by Admiral Nagumo's carrier task force, all subsequent attacks on that northern Australian base were launched from Japanese airfields in Indonesia. Interestingly, the Japanese seemed to have had a greater understanding of the significance of Darwin as a strategic naval and air base than did Australians at that time or since.⁶

Following World War II and the outbreak of the Indonesian nationalist rebellion against the Dutch, Australia generally supported the nationalist and laid the foundation of good relations with Indonesia which have largely stood the test of time and a number of stresses over some 45 years. In general, these strains arose from a post-independence determination by the government of President Soekarno to remove all vestiges of colonialism from the region. From 1958 until 1963, Indonesia sought to expel the Dutch from West New Guinea. At that time, Australia somewhat unwisely supported the Dutch until a settlement was brokered by the United States under United Nations auspices. Australia lost an opportunity to strengthen its ties with Indonesia but, in the longer term, probably little was lost.

Soekarno's adventurism led to his policy of *Konfrontasi* with Malaysia. This was an attempt by Indonesia to destroy the newly independent Federation of Malaysia through

the use of "volunteers" to carry out low level raids into a weakly defended Malaysia. Australia provided token naval and ground forces to support the largely British operation to control *Konfrontasi*. Ultimately, however, the campaign petered out after the 1965 failed coup by the Communist Party of Indonesia against the leadership of the Indonesian armed forces that led to the establishment of the New Order government. Despite Australia's involvement in the campaign against *Konfrontasi*, reasonable relations were maintained with Australia aid programmes to Indonesia proceeding without interruption.

A much more serious difficulty arose in 1975 when, following a revolution in Portugal, a civil war erupted in Portuguese East Timor. The Portuguese authorities favoured the leftist Fretilin by handing over their armoury to that group. Faced with the prospect of an East Timor dominated by a leftist group whose counterparts in other Portuguese colonies in Africa had sought help from the Soviet Union, Cuba and East Germany, Indonesia invaded and ultimately incorporated East Timor into Indonesia. Successive Australian governments gave tacit approval and ultimately recognised Indonesia's action *de facto* and *de jure*. Although the governments' policies attracted some marginal hostility in Australia, it is difficult to see what other option they had. Declaratory support for Fretilin would have been meaningless, achieving nothing but alienating an important neighbour, whereas the potential for armed intervention by Australia on Fretilin's behalf was even less of an option then than it would be now.

In summary, it would be fair to claim that Australia has enjoyed basically good relations with Indonesia throughout the life

⁶For a more detailed discussion of this, see Michael O'Connor, *To Live in Peace* (Melbourne: Melbourne University Press, 1985), 27-28.

of the republic. Such tensions as have occurred have been a product of cultural dissonance and internal Indonesian problems. They have not been substantial and have generally been managed to the satisfaction of both countries. The challenge is to remove any tensions as far as possible and build on the sound basis that exists.

An Australian Perspective

Friend or Enemy

In all the debates in Australia over regional commitments (loosely called Forward Defence) or home defence, there has been a sense of unease that a home defence strategy simply did not secure Australia. Even before the essentially isolationist Dobb Report⁷ was published, the Australia Defence Association (ADA) argued⁸ for a policy of constructive engagement in Southeast Asia and the South West Pacific, not as some benevolent gesture but as an essential element of a national security policy driven by the geographic, political and economic realities.

Dobb's review was translated into a new statement of government policy, the White Paper *The Defence of Australia 1987* published in March 1987.⁹ While this paid homage to the isolationist view, it did include a substantially greater recognition of the reality that Australia had much wider security interests than mere sovereignty

defence and could not be defended from the mainland.

This revived concern with security issues in Southeast Asia was developed further in a generally neglected speech to Parliament by the Defence Minister, Hon Kim Beazley, on 23rd February 1988. In that speech on regional defence cooperation, the Minister emphasised Australia's understanding that the security of Southeast Asia was of fundamental concern to that of Australia. He pointed out that:

The fall of Singapore in February 1942 was the darkest moment Australia has known in 200 years, and underlines unambiguously that Australia's security is tied to the security of South East Asia.¹⁰

That same statement emphasised that Australia no longer perceived the Southeast Asian nations as military undeveloped and welcoming Australian technical assistance. Instead, he emphasised that Australia's relationship would be one of partnership with sophisticated armed forces whose capabilities would be supplemented by Australian deployments to the region. Elsewhere in the speech, the Minister makes the even more crucial comment that:

Australia no longer needs to make a choice between self-reliance on the one hand and our network of alliances and regional associations on the other. We have the capacity, and indeed the requirement, to do both.¹¹

ADA is concerned, however, that government policy gives priority to the defence of mainland Australia rather than to the security of the region. Yet rational strategy requires a commitment to sustaining the

⁷Paul Dobb, *Review of Australia's Defence Capabilities 1986* (Canberra: Australian Government Publishing Service [AGPS], 1986).

⁸O'Connor, *Live in Peace*, 70.

⁹*White Paper* (Canberra: AGPS, 1987).

¹⁰Quoted in *Australian Foreign Affairs Record* 59, no. 2 (February 1988): 54.

¹¹*Ibid.*, 50.

strategic position (in the region) that Australia already enjoys. Defence of the mainland becomes a priority only when that strategic position is in danger of being lost. Such a shift in priority is not inconsistent with self-reliance and does generate confidence among friends as well as contributing to deterrence.

The next significant development, also in 1988, was the creation of the Western Pacific Naval Symposium. The Symposium brought together in Canberra in October 1988 the naval chiefs or their representatives from some twelve Western Pacific nations including all the members of ASEAN. The Symposium examined basic issues of naval operations and development and agreed upon a 12-point programme of practical naval cooperation.¹²

The most recent substantive contribution came in a speech to Parliament by the Foreign Affairs Minister, Senator the Hon Gareth Evans, on 6th December 1989. Senator Evans emphasised the multi-dimensional nature of security policy, encompassing military, political, economic and related issues. But he also made the point that military capability is, and probably always will be, a vital element of Australia's relationship with its neighbours. As he pointed out:

Australia should use its military assets and presence in the region to help foster the gradual development of a regional security community based on a sense of shared security interests. We should not be embarrassed about using the military capability we possess, with prudence and sensitivity, to advance both Australia's and the common security of the region.¹³

¹²For details of the programme, see Kennedy and O'Connor, *Safely by Sea*, 250-251.

¹³Senate, *Handsard*, 6 December 1989.

How to Offend without Really Trying

The hostility to Indonesia among some politically marginal but very vocal groups in Australia was given sustenance by a guerilla campaign on the part of some elements in the Australian media outraged by the killing in unexplained circumstances of five Australian journalists during the Indonesian invasion of East Timor. Whatever the explanation for the incident, it should be regarded as so important as to poison Australian-Indonesian relations indefinitely. In fact, it is probably facile to regard that campaign as having the importance ascribed to it by some elements of the media. Of much greater significance in ADA's view was the 1986 Dibb Report.

The Dibb Report was criticised quite harshly in some areas for its apparent labelling of Indonesia as the most likely source of a military threat to Australia. Dibb based his assessment of an Australian force structure on the twofold assumption that the force should be developed to deal with small-scale raids on the Australian mainland and that:

... because of its proximity, the archipelago to our north is the area from or through which a military threat to Australia could most easily be posed.¹⁴

Of course, the belief that Indonesia would launch such an attack or would connive at an attack by some other power was implicit in the statement.

Dibb was at some pains to assert publicly that he perceived no threat from Indonesia. Indeed, both he and the then Defence Minister Kim Beazley flew to Jakarta to assure Indonesia's leaders that the statements did not actually mean what they clearly implied. Presumably, Dibb was ap-

¹⁴Dibb, *Australia's Defence*, 4.

proaching the question from an academic and theoretical viewpoint but he did so exclusive of any political context, or even any assessment of why such raids would be of any political, military or strategic value.

From an Indonesian perspective, there seemed to be a variety of reactions to the re-examination of Australian security policies in recent years. Simultaneously, Australian-Indonesian relations suffered some strains with the expulsion of Australian journalists from Indonesia. ADA is impressed with the coincidence and suspects that the Indonesian government was anxious to reinforce the displeasure it had expressed at the tone of the Dobb Report.

That other countries such as Malaysia and the Philippines also expressed similar concerns would have reinforced the Australian government's perception that the strategy underpinning the Dobb Report was inadequate. Some concern at the implications of the Dobb Report were expressed no doubt privately but certainly publicly in a very forceful way by Malaysia.¹⁵ There is little doubt that these expressions of concern contributed to the Australian government's modification of the recommendations. Similar concerns were expressed about other aspects of the Report by other countries including the United States, Japan and Fiji. It is not coincidental that the 1987 White Paper moved substantially to assuage those concerns.

Some time later, retired Indonesian General Hasnan Habib told the Fifth Australia-Indonesia Conference in Canberra in 1989 that:

¹⁵For a Malaysian view of Australian isolationism, see the editorial comment by Zara Dian in the authoritative *Asian Defence Journal* (November 1986): 3.

Australia had given neighbours the impression of being a potential military aggressor by developing a hawkish military force and was developing into a regional military superpower.¹⁶

General Habib's statements, selectively quoted, received widespread publicity in Australia and became extremely popular with the peace movement which was seeking Australian isolation and force reductions. ADA's reading of the full text of General Habib's paper given at the conference gives the impression that he was actually suggesting that Australia's defence programme and history required a more frank explanation of their purpose to Australia's neighbours, and indeed to Australians as well. What the peace movement in Australia ignores is the conclusion to General Habib's paper which said:

... it is not in any way intended to argue that close, co-operative and mutually beneficial relations between the two neighbouring countries are not possible. Indeed, they are not only possible, they are indeed necessary.¹⁷

In fact, ADA has the strong impression that some of the concerns expressed by Indonesian spokesmen actually arise from an impatience with what they perceive to be Australia's erratic attitude to regional security.

In all the debates over Australian defence policy over the past decade, and in particular those aspects relating to northern basing, there has been little consideration of the external impact of that basing. Yet Indonesia and the principal shipping straits represent one of the most important strategic points in the world providing as they do the most direct passage between the Pacific and In-

¹⁶Quoted in Age (Melbourne), 29 May 1989.

¹⁷Quoted in Sudjai, "Mutual Interests in Indonesia-Australia Relations," *Telstra Strategic Review* (Jakarta: *Ikatan Alumni Lemhanas*, July-August 1989).

dian Oceans. The new Australian bases, and especially the air bases, lie on the flank of that passage. By deploying forces to that area, Australia actually alters the regional and global strategic balance. That is not an argument for not building the bases or making the deployments. It does, however, explain why our neighbours, and especially Indonesia, would be sensitive to the deployments and why Australia should be prepared to discuss its plans with its neighbours rather than act unilaterally on a matter that has regional and global security implications.

Such an approach is not demeaning to Australia. It does not indicate subservience to Indonesian views nor does it affect Australia's independence. Australia has the right and the duty to make such preparations for its own security as it sees fit. Nor are the deployments necessarily threatening. The notion that Australia with a population of 17 million and total regular armed forces of less than 70,000 could be a threat to Indonesia with its 195 million people and armed forces exceeding 285,000 men is not to be taken seriously. Overall, ADA believes that the security relationship between the two countries is improving although more needs to be done.

An Indonesian Perspective

The following discussion relies heavily upon conversations with Indonesian colleagues and the author's personal interpretation of those conversations.

Role of the Armed Forces

The Indonesian armed forces are very large in raw terms. A more detailed analysis

of their size and composition is set out below. What is important is that the armed forces have a unique role in Indonesia society reflecting their origins as the successful fighters for independence. In the Indonesian philosophy of *Pancasila*, the armed forces are regarded as guardians of the national ideology.¹⁸

That role may be changing as Indonesian institutions grow in strength and sophistication. In a speech to a graduating class of the Indonesian Military Academy in July 1991, President Soeharto warned cadets that they should prepare to defend Indonesia against external aggression. This statement should not be taken to mean that Indonesia has any fear of such aggression, but that the government perceives that the need for the armed forces to be primarily concerned with internal security is diminishing.

Regional Resilience

Indonesians have traditionally described their national security policy as being concerned with internal security. Certainly, Indonesia was for many years faced with insurgencies and separatist movements of one kind or another. Indeed, there are at least three still in existence at opposite ends of the archipelago, the Aceh Liberation Movement in northern Sumatra, Fretilin in Timor and the Free Papua Movement (OPM) in West Irian. All are small and relatively inconsequential but give some concern to the Indonesian government because of the external support they receive.

¹⁸For a thoughtful discussion of this role, see Lt. Col. R.W. Lowry, "The Future of the Social Function of the Indonesian Armed Forces," *Defence Force Journal* 8 (Canberra: Department of Defence, January/February 1990).

Despite a continuing, albeit diminishing concern for internal security, the Indonesian government is increasingly looking outwards and preparing to play a regional security role consistent with its size and relative wealth. This new policy is entitled "regional resilience"¹⁹ and was adopted as ASEAN policy by the Manila Summit of 1987. In fact, regional resilience sounds very similar to the concept articulated by Senator Evans above, suggesting that, at least in declaratory terms, there is a general identity of views between Australia and Indonesia. Yet misunderstandings continue.

Perceptions of Australian Security Policy

Despite some claims to the contrary,²⁰ Indonesia generally does not see Australia as a security threat. That is natural enough; Australia manifestly has no capacity seriously to damage Indonesia in any military confrontation. Clearly, too, there are no grounds for Australia to do so unless it becomes involved in some confrontation between Indonesia and Papua New Guinea. On the other hand, Indonesia does perceive that Australian policy appears to be fearful of Indonesian designs upon Australia. These were essentially expressed in the Dibb Report and are reinforced by the current policy of military deployments to northern Australia and

the broad scenarios used in the Kangaroo series of triennial defence exercises. Australian invitations to senior Indonesian officers to observe these exercises are unlikely to change Indonesia's views.

Deployments by the Royal Australian Air Force (RAAF) to the north can be seen in two possible contexts: defence against air attacks from Indonesia or beyond; or as bases for attacks on Indonesia. However, they can also be seen as contributing to regional air defence and there is a growing perception in Indonesia that these deployments can be helpful in the context of regional security. On the other hand, ground force deployments and exercises in the north are clearly designed for protection against relatively minor raids on the Australian mainland. In Australia, this scenario is conceived independently of any political context. That is, there is no discussion of how such raids might be militarily useful in the context of a dispute between the raiders' country and Australia.

It is perfectly reasonable and logical for Indonesia to believe that the raiders are, in fact, considered to be Indonesian or are operating with Indonesian connivance. In ADA's view, this would represent a level of military and strategic incompetence which no-one has ever ascribed to Indonesia. As indicated above, Indonesia could have a much more substantial economic and therefore political effect upon Australian policy at much less cost or risk by closing Lombok, Ombai and Wetar Straits to shipping to or from Australia.

Indeed, Indonesia has used this strategic power in the past when it closed Lombok Strait to shipping for a few days in 1988 allegedly as a means of expressing its dis-

¹⁹For a good description of regional resilience, see Soedibjo, "Independence or Alliance: A View of Regionalism and its Influence on Air Power," in Alan Stephens, ed., *Smaller but Larger: Conventional Airpower into the 21st Century* (Canberra: AGPS, 1991).

²⁰Expressed by a number of contributors to Graeme Cheeseman & St. John Kettle, eds., *The New Australian Militarism* (Sydney: Pluto Press, 1990).

pleasure with Saudi Arabia's unilateral reductions in crude oil prices.

Indonesia is, of course, hardly concerned about this mark of Australian military incompetence because it is primarily a ground forces affair and Australia's army is so small as to be irrelevant in regional security terms. Their concerns are more with an Australian insensitivity which, without any basis, appears to regard Indonesia as a likely enemy. This is at best puzzling and, at worst, insulting.

Defence Programmes

A Comparison

Comparisons of national armed forces are difficult at any time and mere tabulation of numbers can be misleading. Nevertheless, they do represent a starting point and are shown in Table 1.²¹

The Indonesian defence budget for 1990/1991 totalled A\$709 million but this figure does not include the cost of arms purchases which may be expected to double the quoted total. By contrast, Australian defence expenditure for the same year amounted to A\$9,066 million or 6.4 times the Indonesian outlay. This marked discrepancy in the raw figures has attracted unfavourable comment in Australia from those who argue, superficially, that Australian defence spending is too high and projects an image of aggression.²² However, Australian *per capita* manpower costs are approximately 30 times

those of Indonesia's²³ so that Indonesia's defence purchasing power is probably greater than Australia's by a substantial factor. The actual comparison of defence spending is probably valueless and is only mentioned because of the weight given to it by some Australian commentators hostile to Australia's programme.

In ADA's view, the comparison of armed forces suggests that while Indonesia has a preponderance of ground forces and a not inconsequential, albeit elderly, amphibious capability, Australia's manifest and growing air superiority substantially redresses any imbalance, at least for the time being. The comparison is valid only in the context of some form of conflict between Australia and Indonesia. As suggested above, however, the conditions for such a conflict do not exist at present or in the foreseeable future. What is clear is that neither country is able to overwhelm the other except perhaps in the context of a clash over Papua New Guinea.

Closing the Technology Gap

Underlying Australian defence policy is the notion that Australia must make up for its lack of manpower by maintaining in the Australian Defence Force (ADF) a substantial technological edge over the armed forces of potential enemies.²⁴ However, a number of factors are combining to reduce that edge. They include: (1) the growing sophistication of the Indonesian economy and industrial infrastructure, including its indigenous

²¹The figures are drawn from a number of authoritative sources, official and otherwise. Where conflicting figures exist, a judgement has been made but the conflicts are not significant.

²²See for example John Langmore, "Impact of Australian Defence Spending" in Cheeseman & Kettle, eds., *Australian Militarism*.

²³Calculations by the Australia Defence Association.

²⁴For example, this theme can be perceived throughout the discussion in the *White Paper* and in Dibb, *Australia's Defence*, 45.

Table 1

ARMED FORCES COMPARISON

	AUSTRALIA	INDONESIA
<i>Navy</i>		
Personnel ('000)	15.5	40 (1)
Submarines	6	2 (2)
Destroyer/Frigates	10 (3)	14 (4)
Fast Attack Craft	nil	8 (5)
Patrol Craft	18	29
Amphibious		
- Ships	1	19
- Craft	6	38
Minewarfare	3	8
Other Ships	6	20 Plus
<i>Army</i>		
Personnel ('000)		
- Regular	30	220
- Reserve/Paramilitary	25	217
Brigades	10	10
Independent Battalions	4 (6)	89
Tanks/AFV	103	350 (7)
APCs	700 (8)	600
Artillery	396	90
SAM	Rapier RBS-70	Rapier
<i>Air Force</i>		
Personnel ('000)	22	25
Combat Aircraft	94 (9)	52 (10)
Maritime Recce	19	4
Transport	52	46

Notes:

1. includes 12,000 marines.
2. four additional boats are planned.
3. plus one building and eight more on order less five which are obsolete.
4. a force of 23 ships is planned.
5. four more on order.
6. Commando Regiment and three regional surveillance units.
7. includes those allocated to the marines.
8. an additional 100 on order.
9. F-111 and F/A-18s.
10. A-4 and F-16s.

defence industry; (2) the end of the Cold War and a likely decline in military research and development, coupled with this, a desire by Western arms manufacturers to amortise past research and development costs by expanding exports of sophisticated equipment. This trend will be supported if the Western nations abolish some of the limits on export of advanced equipment and the release of classified information. In this context, Australia could lose some of the privileged access it has enjoyed as part of the Western alliance system; (3) reductions by Australia in defence spending as well as in research and development of advanced indigenous systems in Australia.

The Indonesian armed forces now deploy sophisticated F-16 fighter aircraft and missile armed fast attack craft. While most of the frigate force is old, the more modern ships are fitted with the Exocet or Harpoon anti-ship missile and they operate anti-submarine helicopters. The 23 new frigates planned will be well-armed ships and most will be built in Indonesian yards. As well, there have been suggestions²⁵ that Indonesia will acquire at least two Dutch destroyers with area air defence missile systems.

Australia's technological edge still exists especially in the combat support areas of surveillance and command and control. But the gap is closing especially as Australia moves in the direction of cheaper equipment, fitted for rather than with many of the weapons systems that would sustain that edge.²⁶

²⁵Anthony Preston, "The Indonesian Navy in the 1990s," *Asian Defence Journal* (July 1991): 38.

²⁶The planned ANZAC (Meko 200-ANZ) frigates for the Australian and New Zealand navies are a case in point. These eight ships will not be as well-armed as Indonesia's 23 new frigates.

Future Cooperation

Ministerial statements referred to above by both the Defence Minister and the Foreign Affairs Minister in recent years have emphasised the potential and the need for regional security cooperation between Australia and its Southeast Asian neighbours. In ADA's view, trends in regional cooperation as well as the changing nature of conflict itself provide imperatives for much closer cooperation between Australia and Indonesia. While ADA recognises and applauds the valuable work that is being done, there is a need to popularise the view in the wider Australian community that Indonesia is more likely to be a collaborator in security programmes than a potential enemy.

Without in any way suggesting a reduction in Australia's security cooperation with Malaysia and Singapore, ADA believes that high priority should be given to developing closer co-operation with Indonesia. ADA notes the programme initiated under the auspices of the Western Pacific Naval Symposium referred to above and the programme of visits by ministers, senior defence officers and Australian warships to Indonesia. These are immensely valuable but should be developed further together with more reciprocal visits by Indonesian officers and naval units.

In ADA's view, the end of the Cold War coupled with the destructiveness of modern conventional weapons suggests that recourse to violence between nations is likely to diminish. On the other hand, there remains the potential for a wide range of low level security threats. These will include: terrorism, piracy, hijacking (for political or economic motives), the narcotics trade, fraud, refugee flows, external large power intervention in

small local or regional disputes, environmental and maritime traffic control.

Such threats will increasingly demand a multinational response if only because they are so difficult to confine within a single national border. They are also likely to demand a military response if only because offenders will be increasingly well-armed, wealthy and perhaps able to shelter behind the nominal sovereignty of small and weak nations. International peacekeeping and law enforcement will become a growing task of national military forces. These will act initially in concert on a regional basis with regional friends. Eventually, possibly in the next two decades, they may act under some supranational command similar to the United Nations peacekeeping groups but with a much assertive role.

Senator Evans, has argued before the General Assembly that the United Nations administration should be reorganised to allow the world body to be more pro-active in keeping the peace.²⁷ That idealistic concept may well develop but will take time. In the interim, the alternative notion of some kind of *Pax Americana* will be resisted by American isolationists and the usual anti-American groups among the foreign intelligentsia. There is likely therefore to be considerable scope for the development of regionally-based forces where interests are more likely to be held in common. Regional co-operation between neighbours will tend to deter aggression from outside the region.

Lawlessness will become a substantial problem because it will be perceived by some to be rewarding. It is less likely to be lawlessness as between nation states. But many in-

ternational criminals will be well-organised, well-funded and well-armed, and will take what advantage they can of a weak, divided and possibly corrupt regime of international law enforcement. The nation states will need to co-operate to control that lawlessness, just as, in the past, local communities formed nation states to control lawlessness within their own borders. What is important is that the communities themselves, the ordinary people, recognise the changes. They and their leaders must adapt to a new set of relationships and challenges in the world. Those that fail to do so will be swamped.

Australia's approach to conflict management should be driven by perceptions of its strategic interests. These are not only defined geographically by the concept of Australia's "region of primary strategic interest",²⁸ but by economic and cultural interests. These will include military support not only for our trading partners but also for our neighbours so that we are all able to live in a zone of peace. It will mean going to the aid of friends rather than reacting only to aggression directed against Australian territory.

Potential for Co-operation

There is in fact a substantial degree of complementarity between the Australian Defence Force and the Indonesian armed forces. The following points are illustrations: *First*, the Royal Australian Navy is relatively strong in area air defence and long-range anti-shipping capabilities, while the Indonesian navy has a powerful inshore and amphibious capability which the RAN lacks.

²⁷Reported in *Australian* (Sydney), 25 September 1991.

²⁸Defined in the *White Paper* par. 1.43 as the South-West Pacific and Southeast Asia.

At the same time, the development plans of both navies if they are achieved would project a strong combined force built force built around some 40 frigates and 12 submarines. *Second*, the Australian army is stronger in artillery and heavy tanks while Indonesia has a huge manpower base. Both armies have a useful if almost obsolete outfit of armoured personnel carriers. *Third*, the RAAF has a strong tactical fighter and maritime reconnaissance force but lacks any close air support capability which Indonesia could provide together with a useful air defence supplement.

The point is made to emphasise the potential for cooperation to offer a substantial deterrent to aggression from outside the region. Given Australia's existing co-operative arrangements with Malaysia and Singapore especially, and Indonesia's own growing links with those countries, the potential not only for deterring aggression but also for guaranteeing the security of merchant shipping transiting the region is substantial. Opportunities also exist for Australia to provide more logistic support for regional armed forces, including Indonesia's. Even at the very mundane level of producing soldiers' field ration packs. Australia has solved problems of storage and portability which bedevil planners elsewhere.

Given that cooperation is developing primarily at the naval level, ADA perceives a need for the development of a programme of joint exercises, staff discussions and personnel exchanges with the air force and army. There seems to be a greater potential for complementary activity between the two air forces and ADA has suggested that these be given a higher priority. In the longer term, regional security cooperation will necessarily involve closer integration at the opera-

tional level. This will be particularly the case in an overall programme of merchant shipping protection. There are already a number of regional structures in place but they are not integrated to the degree necessary to ensure adequate command and control.

ADA has long believed that a proper degree of regional maritime cooperation requires the establishment of a multinational maritime headquarters.²⁹ Achievement of such an objective will be a long-term project but a beginning needs to be made. Because of Indonesia's central position, large population and growing maritime power, such a headquarters would be best provided by Indonesia under an Indonesian commander but with a multinational staff. Initially, it could be established on a skeleton basis and be activated for occasional exercises but planning would need to take account of the whole range of command and control, communications and intelligence (C3I) needs.

The Need for Consultation

The examination of Australian security policy which began with the 1986 Dibb review and resulted in the 1987 White Paper generated a perception that Australia's defence policy was at once isolationist and fearful of Indonesia. Subsequent developments should have ameliorated such a perception in Indonesia but it is still complicated by the reality of defence policy and programming which seems to be inconsistent with policy declarations.

²⁹See for example Michael O'Connor "Co-operation for SLOC Security in the Western Pacific" in Kennedy and O'Connor, *Safely by Sea*, 267-74.

Thus, the development of northern basing and the scenarios which underpin the Kangaroo exercises tend to reinforce a perception of an Australia defending itself against an Indonesian invasion. At the same time, theoretical discussions about the use of Australian air power³⁰ coupled with the RAAF's equipment and training policy reinforce perceptions in Indonesia as well as Australia that the RAAF is strongly committed to offensive operations against Indonesian territory.

In ADA's view, such adverse perceptions could -- and should -- be overcome by a programme of consultations with Indonesia and

a more sensitive programme of public discussion in Australia. The latter point is as important as the first; it is essential that the Australian community be encouraged to take a more sophisticated view of Australia's security relations with Indonesia and, in particular, to recognise the potential for collaboration rather than the likelihood of conflict.

There are a range of security issues that warrant further discussion. These include the security of Papua New Guinea and the future of the Five Power Defence Arrangements between Malaysia, Singapore, Australia, New Zealand and Britain. But, given the real and potential changes in recent years, there seems to be no reason why these issues cannot be resolved with a resultant strengthening of Southeast Asian security.

³⁰As in *The Air Power Manual* published in 1990 by the RAAF's Airpower Study Centre.

Australian Policy on the Future of Western New Guinea (Irian Jaya): A Historical Approach from 1945-1963

Ign. Kristanyo Hardojo

THE declaration of Indonesia's independence on 17 August 1945 proved to the world that any attempt by a colonial power to continue its colonial domination would be strongly and effectively opposed. This was demonstrated by the repeated failures of the Dutch to Indonesia after World War II. Much to the displeasure of the Netherlands, the establishment of the Republic of Indonesia (which was previously known as the Netherlands East Indies) was heralded by Australia as the creation of a new state in Asia. Since Indonesia's independence, Australia has considered it as the closest Asian neighbour and regards its political developments as a matter of prime importance and interest to Australia.

The recognition of sovereignty of the Republic of Indonesia on 27 December 1949 did not mean that Indonesia had overcome its problem with the Dutch.* There in fact

*Indonesia has celebrated its Declaration of Independence every 17 August as the birth of the nation since 1945 and disregard the 1949 Transfer of Sovereignty, which they see as a mere "recognition" or "restoration" of independence.

arose the problem with Indonesia's claim for West New Guinea. This even brought about an international problem involving many other nations. The West New Guinea problem, for example, was an international reason for Australia's delay in developing a friendly and constructive policy towards Indonesia. Australia, in fact, initially supported the Netherlands' rejection of Indonesia's claim, both in legal terms and in terms of what were seen as Australian security.¹

This essay tries to describe Australia's attitude to the so-called West New Guinea problem. It covers the period between 1945-1963. At the same time, it also purports to examine how Australia exercised its policy towards the West New Guinea case, especially with regard to its concerns on legal and security grounds. As such, this is concerned with legal matters, and security issues.

¹H.C. MacMichael, "Australia-Indonesia Relations," *Australian Outlook* 40, no. 3 (December 1986): 139.

I

In dealing with the legal aspects of this question, it is important to note from the outset that the so-called West New Guinea problem cannot be seen as a problem that merely arose after the Round Table Conference. Events that took place long before the Round Table Conference, have a very strong bearing with regard to Indonesia's claim. Almost all historical scholars, especially scholars in Indonesian history, will realise that in mid-November 1947 Indonesia and the Netherlands signed an agreement called Linggardjati Agreement, also known as the Cheribon (in Indonesian we call it Cirebon) Agreement. Since this agreement was signed the question of Indonesia's independence has involved a discussion of the Dutch assertion that West New Guinea was not one of the Republic's provinces.²

As pointed by Robert C. Bone Jr., in a broad outline of the agreement a provision was made for the establishment of a democratic, federally-organised United States of Indonesia which would remain a part of the Netherlands, at least until 1949.³ As a matter of fact, the Linggardjati Agreement contained two articles referring to the future of West New Guinea. The articles are Article 3 and Article 4, which says:

ARTICLE 3

The United States of Indonesia shall comprise the entire territory of Netherlands Indies with the understanding that, if the population of any area, after

consultation by means of a democratic process that it is not, or not yet, willing to join the United States of Indonesia, a special relationship for that territory to these States and to the Kingdom of the Netherlands can be brought into being.

ARTICLE 4

(1) The constituting states of the United States of Indonesia shall be the Republic, Borneo and the Great East without curtailing the right of the people of any territory to indicate by means of a democratic procedure that it wishes to see its place in the United States of Indonesia regulated on another footing.⁴

Reading these two articles, it is understandable that the Linggardjati Agreement defined the territory of the United States of Indonesia as including "the entire territory of Netherlands Indies". However, the agreement stipulated that if the population of any area indicated by democratic process that it wished not belong to the United States of Indonesia, a special relationship with the Netherlands and the United States of Indonesia might be arranged. With respect to the so-called West New Guinea problem, it was unfortunately true that West New Guinea was one of the areas in which this qualification might have been applied. As mentioned above, ever since the Linggardjati Agreement was achieved the Netherlands deliberately obscured the issue of West New Guinea. At the same time, in order to confuse the meaning of West New Guinea, the Dutch attempted to challenge the question of Indonesia's independence by claiming that they still had a very important stake in West New Guinea.⁵ Although the Dutch believed that

²See, J.A.C. Mackie, "The West New Guinea Argument," *Australian Outlook* 16, no. 1 (April 1962): 31.

³Robert C. Bone Jr., *The Dynamics of Western New Guinea (Irian Barat) Problem* (New York: Cornell University, Interim Reports Series, 1962), 30-31.

⁴*Ibid.*

⁵It is indicated in Robert C. Bone Jr. Interim Report Series that after the Linggardjati Agreement was adopted, the Dutch Commission-General, the Dutch Government and the Second Chamber (Lower House) of Parliament gave their "explanation" regarding to

West New Guinea was one of the areas which might be included in special relationship with the Netherlands, it did not follow that this was easy to achieve. In fact, the whole idea was criticised by many countries. The act of self-determination through a democratic process was barely conceivable and therefore *anathema* to many countries.

Between the year 1945 to 1947, Australian attitude towards Indonesia was rather confusing. On the one hand, during the war-time between Indonesia and the Netherlands, Australia allowed the Netherlands East Indies (N.E.I.) army to use former Australian Army camps, including Victoria Camp at Casino in northern New South Wales. This happened until the end of 1946 when it was closed. Despite the fact that Camp Casino closed in December 1946, the Australian government continued to pursue its policy supporting Dutch sovereignty in the N.E.I.⁶ On the other hand, both Labour and Liberal governments showed their disapproval of the continuing Dutch-Indonesia dispute. Subse-

Articles 3 and 4 of that. The Dutch Commission-General among others pointed out "These difficulties may appear ... that the result is to force the holding of further discussion on the possibility of offering New Guinea a special status on another basis than that envisage in Article 3 and 4." The Dutch Government explanations to the Second Chamber of Parliament among others pointed out "... that New Guinea must be able to obtain its own status with respect to the Kingdom, as it would perhaps ... that the possibility should be kept open there for larger settlements of Netherlands ..." And, the Second Chamber of Parliament among others pointed out "... the wish is that New Guinea must be able to receive its own status vis-à-vis the Kingdom (new style) and the United States of Indonesia; ... in particular to keep open the possibility for greater settlements of Netherlands, ..." See, Bone Jr., *The Dynamics*, 32-33.

⁶Margaret George, *Australian Dilemma: A New Kind of Western Society* (Melbourne: Melbourne University Press, 1980), 62-63.

quently, the continued bans on loading Netherlands ships during that time were interpreted abroad as a sign that the Government favoured Indonesia's independence.⁷

Although Australian attitude towards Indonesia was rather confusing, the Australian government claimed "a special position in the region and urging progressive measures of autonomy and social welfare for the native people".⁸ In the United Nations Security Council debates, for example, Australia introduced the matter of the military confrontation between Indonesia and the Netherlands that had been going on for some time. The result, a cease-fire was ordered and the Council established a three-member Committee of Good Office, at which time Australia was nominated by Indonesia. One of the task of this Committee was to engage in negotiations between Indonesia and the Netherlands regarding the transfer of sovereignty. Despite the fact that after 15 months the result of the negotiation between Indonesia and the Netherlands was not resolved, it is fair to say that Australia did appreciate the establishment of a new state in Asia in 1945, and supported the self-determination process.

In February 1949, Bell, the High Representative of the Netherlands Crown in In-

⁷Early after Indonesia declared its independence, when there was an attempt by the Dutch to return to Indonesia, Australia waterside workers put a ban on Dutch ships carrying arms, food and medical supplies to the Dutch. There was pro and contra among the government ministers towards this action. This brought about inconsistent statements by the government ministers (Chifley, Evatt and Calwell), since the bans were interpreted as a sign that the Government favoured Indonesia's independence. See, Michael, "Australia-Indonesia Relations," 139. See also, M. George, *Australian Dilemma*, 63.

⁸*Ibid.*

onesia proposed that “the Netherlands itself take the initiative to effect an accelerated transfer of sovereignty to the United States of Indonesia”.⁹ As a matter of fact, matters did not progress smoothly at the conference. At one stage during the conference, negotiations become deadlocked when the issue of West New Guinea was discussed. One major reason for this deadlock was that both Indonesia and the Netherlands maintained unchanged positions on West New Guinea. In the Netherlands, as pointed out by Mackie, the government at that time was under strong conservative pressure to salvage something from the wreckage of its former colonial glory. The Dutch government faced a strong vote both in the Lower and Upper House against the ratification of the Hague Agreement. On the other hand, the Indonesian delegation was reluctant to accept the Draft Charter of the Transfer of Sovereignty because of the vagueness of the interpretation of the West New Guinea issue.

With regard to the process of the transfer of sovereignty, there were two controversial articles which deliberately blurred the issue of West New Guinea status. This is clearly shown in the interpretation of the Draft Charter of Transfer of Sovereignty. These vague articles are:

ARTICLE 1

- (1) The Kingdom of the Netherlands unconditionally and irrevocably transfers complete sovereignty over Indonesia to the Republic of the United States of Indonesia and thereby reorganises said republic as an independent and sovereign state.
- (2) The Republic of the United States of Indonesia accepts said sovereignty on the basis of the provisions of its constitution ...

⁹Ibid., 136.

- (3)
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ARTICLE 2

With regard to the residency of New Guinea it is decided:

- a. In view of the fact that it has not yet been possible to reconcile the view of the parties on New Guinea, which remain, therefore, in dispute, ... that the status quo of the residency of New Guinea shall be maintained with the stipulation that within a year the date of transfer of sovereignty the question of the political status of New Guinea be determined through negotiations between the Republic of the United States of Indonesia and the Kingdom of the Netherlands.¹⁰

The differences between these two articles reveal the uncertainty and vagueness of the charter. In Article 1, the definition of the territory of *Indonesia* was not indicated. The question remained as to whether the territory referred to the former Netherlands Indies or whether it excluded New Guinea. In Article 2, the vague term of *status quo* was used instead of “sovereignty” which makes it impossible to draw any implications from the wording of the agreement.¹¹ As Bone pointed out, the friction in interpreting the wording of the two articles above was based on the official English translation of the Draft Charter of the Transfer of Sovereignty which mysteriously left out¹² important

¹⁰Bone Jr., *The Dynamics*, 60-61.

¹¹See, Mackie, “West New Guinea Argument,” 32.

¹²On the day of the Conference’s conclusion, the exchange of letters agreed upon in the meeting of October 31 took place, overseas Minister van Maarseveen, in his capacity as Chairman of the Dutch Delegation, addressed identical letters to the chairman of the two Indonesia Delegation in which he claimed that: “... the clause in Article 2 of the Draft Charter of Transfer of Sovereignty reads: ‘the status quo of the residency of New Guinea shall be maintained’ means: ‘through continuing under

phrases from the Dutch and Indonesia texts, that is, such phrase as *the authority of* as well as *over the residency of New Guinea*, which are both found in the Dutch and Indonesian text. It is fair to point out here that the friction in interpreting the wording of the two articles was an attempt by the Dutch to make the definite status of the area lacked of clarity, so that there was opportunity for anyone to interpret the status of West New Guinea. In order to overcome this problem both parties agreed to define the term *status quo* separately in a later Exchange of Notes to mean *continuing under the Government of the Netherlands*. The Indonesian delegation, however, continued to be concerned over the meaning of the word *sovereignty* which was specifically avoided.¹³

When the Round Table was about to collapse, the United Nations Commission for Indonesia (U.N.C.I.) played an important part at the last minute. The U.N.C.I. per-

the Government of the Netherlands'. I shall appreciate learning if you can agree to the foregoing..." The Indonesian representative (Mr. Sudjarwo) told the Ninth Assembly's First (Political) Committee: "Mr. Chairman, in order to avoid possible misunderstanding, the parties to the Charter of the Transfer of Sovereignty exchanged a letter ... in which it was agreed, according to the English text, that the phrase in Article 2 of the Charter, reading 'the status quo of the residency of New Guinea shall be maintained' means 'through continuing under the Government of the Netherlands'. However, it must be stressed that the phrase: 'through of either the Dutch or Indonesia texts thereof'. For example, the Dutch text of this phrase reads as follows: 'met voortzetting van het gezag ... de residentie Nieuw Guinea'. And the complete translation of this phrase is as follows: 'through continuing the authority of the Government of the Kingdom of the Netherlands over the residency of New Guinea'. See, Bone Jr., *The Dynamics*, 61-63.

¹³See, *Ibid.*, 64-67. See also, Mackie, "West New Guinea Argument," 32.

suaded Indonesia to accept the compromised final draft. In persuading Indonesia to accept a compromised final draft, Australia, as a member of the U.N.C.I., played an interesting part. As shown in T.B. Millar's book, the Australian representative in the UN Commission for Indonesia, T.K. Critchley, put two proposals that dealt with the issue of West Guinea in the context of Indonesia's independence. The two proposal were:

- (1) that the territory be placed under international trusteeship.
- (2) that it be excluded from the transfer of sovereignty and its status be maintained while negotiations took place during the following year.¹⁴

Although Indonesia formally gained its sovereignty on 27 December 1949, the problem of the different interpretations of *status quo* and *sovereignty* were kept to cover the continuation of Administration and control in West New Guinea. Two days after the transfer of sovereignty the Dutch government issued a decree for the administrative regulation of New Guinea. This, as Mackie said, was "the legal question of where sovereignty resided".¹⁵ West New Guinea remained a problem in Dutch-Indonesia relations. At the same time, this problem brought tension to East and West at a time when Cold War rivalry was high.

II

Generally speaking, every country that has examined its relationship with another

¹⁴T.B. Millar, *Australia in Peace and War: External Relations 1788-1977* (Canberra: The Australian National University Press, 1978), 225-226.

¹⁵Mackie, "West New Guinea Argument," 33.

country has a theory which is developed in its foreign policy. Foreign policy, as such, is the means by which a country tries to achieve those national objectives that lie outside its exclusive jurisdiction. In the first chapter of *Foreign Policy: Some Australian Reflection*, Millar argued that the successive Australian governments have been unable to exert independent judgements and initiatives in foreign policies. This has led to the notion that Australian governments have simply held on to one or another major power for protection, for example, Britain and the United States.¹⁶ Although after World War II the trend of the Australian government in implementing its foreign policy were in some way obscured or compromised by their *strong friends*, Mackie has pointed out that Australia's position on West New Guinea was its own.¹⁷

The friction between the Dutch and the Indonesians over West New Guinea once again increased in 1950 and an election in Australia saw a change in government. Although the new Liberal/National government emphasised friendly relations with Indonesia, Australia shifted its position on Indonesia's claim for West New Guinea. This shifted position appeared quite clearly when Mr. Spender visited Jakarta in January 1950. During his visit, he described among others Australia's policy on the issue of West New Guinea. Regarding the West New Guinea problem, Australia's policy was based on "discouraging the Indonesian government from pressing its claim, in the hope that the claim would fade away; encouraging the

Netherlands to stand firm against the claim and lobbying at the United Nations in major capitals to prevent the claim being discussed at the UN".¹⁸ This policy was adopted because the coalition government was *obsessed* with the idea that "aggressive, united or monolithic communist force" would cause World War III.¹⁹ As Millar stated, whatever politics or political form Indonesia was going to have, Australia saw the islands as a buffer against any aggression. Australia could not allow a communist influence in this area. Accordingly, the Australian government wanted to take part in the decisions that decided the future of West New Guinea.

Australia's official statement on Indonesia's claim to West New Guinea was laid by Mr. Spender during his visit to the Hague in August 1950. He stated that the claim would, in due course, be extended to eastern New Guinea and, referring to the increase of Communist pressure in Asia. Australia's finding was that Indonesia should not be in West New Guinea. In Spender's point of view, Indonesia's claim for West New Guinea was illegal. He based the view on the assumption that the West New Guinea

¹⁸Millar, *Australia in Peace and War*, 227.

¹⁹*Ibid.*, as sighted in Australian Politics, a feature of post-1949 politics in Australia has been the considerable interaction between domestic and international politics. It has been good politics to foster and exploit the exaggerated concern for security in the Australian community. Slogans were substitutes for real policies ('Forward Defence'), and warnings of 'threat' and 'menace' were often cynically used to produce the desired electoral response. Traditional attitudes were accentuated by painful memories of the Japanese threat during the war. The Cold War created fears of Communist enemies abroad and at home. Hery Mayer, *Australian Politics* (Melbourne: F.W. Cheshire Pty.Ltd., 1973), 761.

¹⁶T.B. Millar, *Foreign Policy: Some Australian Reflection* (Melbourne: Georgian House, 1972), 1.

¹⁷Gordon Greenwood and Norman Harper (eds.), *Australia in World Affairs 1956-1960* (Melbourne: F.W. Cheshire Pty. Ltd., 1963), 272.

case should be seen as a problem of ethnic origin, language and culture.²⁰ Spender believed that Australia should help Indonesia under the Colombo Plan since Indonesia had too many complicated and intractable economic and political problems to solve the question of the development and defence of New Guinea. This statement, as pointed out by Mackie, was based on "vital security considerations for Australia" coupled with the wish to defend the rights of an inarticulate mass of native people.²¹

With regard to Spender's point of view above and, as mentioned previously, for Indonesia the so-called West New Guinea problem was a legal question over where sovereignty should reside. Indonesia's claim to West New Guinea, therefore, was based on *historical and national* grounds, not *ethnic affinity*. Although, as Sawer has suggested Indonesia might have had more chance of obtaining a "constructive" result on the West New Guinea problem, than just have normally assumed.²² In addition, the notions that Indonesia had too many complicated and intractable economic and political problems during that time and, the Indonesian claim to West New Guinea was merely based on "ethnic affinity" might be the reflection of racism that has been an

essential element of Australian history.²³ In spite of everything, after the Round Table Conference, the issue for Indonesia was not merely a matter of legal interpretation. It was also a matter of political negotiation, in which Indonesia did not want to be involved in the so-called Cold War. As a matter of fact there was fear that the West New Guinea problem would threaten the stability of the region and thus invite Cold War tensions to further muddy the waters of peace in that part of the world and Southeast Asia. Despite this it was one way to call upon international attention to assist in solving the problem.²⁴

In 1951 Spender was replaced by Casey as Minister for External Affairs. Regarding the issues in Asia, Casey was more sensitive to the feeling of Asian leaders. In the case of West New Guinea, Casey maintained Spender's policy but with less enthusiasm for an Australian part in administering or defending West New Guinea.²⁵ In mid-1953, Casey pointed out that Australia would not provide development funds or defence to Dutch New Guinea. However, Australia would improve its communications with Dutch territories and co-operate in agriculture, health, quarantines and education matters.²⁶

Again, in mid-1950s until December 1957, Indonesia took West New Guinea problem on numerous occasions to the General

²⁰Casey pointed out that the population of Dutch New Guinea is quite different in ethnic origin, language and culture, from the people of the Indonesian islands. The Indonesians are of Indo-Malayan language and culture, and enjoy a high standard of civilization. The people of Dutch New Guinea are Papuans, like the inhabitants of Australian New Guinea. From R.G. Casey, *Friends and Neighbours: Australia and the World* (Melbourne: F.W. Cheshire Pty.Ltd., 1954), 101-102.

²¹Greenwood and Harper, *Australia In World Affairs*, 292.

²²Cited in *ibid.*, 322.

²³I believe that this assumption is best analysed as the subject for another paper.

²⁴See, Greenwood and Harper, *Australia In World Affairs*, 294.

²⁵Allan Watt, *The Evolution of Australian Foreign Policy 1938-1965* (London: The Cambridge University Press, 1967), 252.

²⁶*Ibid.*, 227.

Assembly of the United Nations.²⁷ At that time Indonesia's position in the United Nations was strong. As briefly pointed out in *Australian World Affairs 1959-1960* Indonesia's position was strengthened by two international events. First, the Asian-African Conference in Bandung and second, the admission of twenty new member states to the United Nations of which fourteen attended the Asian-African Conference or came from the Communist bloc. Despite the fact that the support for Indonesia in the United Nations increased, it did not fulfill the expectation of two-thirds majority in the General Assembly for the Resolution proposed by Indonesia with regard to the West New Guinea problem. In the United Nations, Australia supported the Dutch, stressing the right of West New Guinea to self-determination. This decision was based on the agreement, signed by Australia and the Netherlands in November 1957. The agreement stated among other things, that both countries would continue to pursue policies directed towards the political, economic, social and educational advancement of the peoples in these territories in a manner which recognised their ethnological and geographical affinity.²⁸ Generally speaking, in the period of 1950-1957 Australia opposed Indonesia on

²⁷In June 1950 Dr. Evatt proposed a suggestion that Australia should purchase West New Guinea from the Dutch. During the mid 1950s until December 1957, the United States suggested Australia to purchase West New Guinea from the Dutch, or else take it over as a United Nations trusteeship. As a matter of fact this suggestion was proposed again by Liberal MP D.J. Killen in February 1959. These ideas, however, were both rejected by Australia as impractical.

²⁸In November 1957 the Netherlands and Australia agreed on the Co-operative Agreement proclaiming the principle of self-determination for West New Guinea. See, Peter Hastings, *New Guinea: Problems and Prospects* (Melbourne: F.W. Cheshire Pty.Ltd., 1973), 203.

the West New Guinea issue but wanted to maintain relations with it.

By early 1958, Indonesia domestic politics were described as being authoritarian in nature. The perception arose after Indonesia introduced the so-called *guided-democracy*. The Indonesian government began to seize Dutch property, sought arms from both communist countries and the United States.²⁹ Indonesia was thus seen directly participating with communist countries and preparing to use military force to achieve its goal in West New Guinea. During this time the Australian government became convinced that Indonesia would use military conflict to gain its objective. At this stage the Dutch government tried to gain its objective and get Australian military aid and co-operation. Australia decided to shy away from a conflict with Indonesia because neither the United States nor Britain wished to go to war with Soekarno, despite their distaste for his politics. The West New Guinea problem had to be solved without violence, without the use of military force.

In early 1959 Australia's position shifted again. This happened after Dr. Subandrio, the Indonesian Foreign Minister, visited Australia to improve Australia-Indonesia relations. With regard to West New Guinea, Subandrio and Casey agreed that on this issue:

differences remains, but the position was clarified by an explanation from Australian Ministers that it followed their position of respect for agreement on the rights of sovereignty that if any agreement were reached between the Netherlands and Indonesia as parties' principle, arrived at by peaceful process and in accordance with international acceptance principles, Australia would not oppose such an agreement.³⁰

²⁹Millar, *Australia in Peace and War*, 228.

³⁰Watt, *Australian Foreign Policy*, 254.

The shift in the Australian position was strongly criticised by the press and some members of Parliament. They saw the Australian decision as "a concession to Indonesia and as an invitation to Indonesia to mount pressure on the Dutch".³¹ Indeed, the Australian government denied to its people that its policy towards West New Guinea had shifted. As a matter of fact, however, this had brought about the visit of Prime Minister Menzies to Indonesia in December 1959.

In 1960 the sign of the friction between Indonesia and Dutch on West New Guinea was that Indonesia had been ready for a "confrontation of forces at all levels". It became clear that Indonesia would not accept any proposal that did not put West New Guinea under the authority of the Republic. To explain the military action that Indonesia would take, Indonesia's Defence Minister, General A.H. Nasution, visited Australia in 1961 and Europe in 1962. He explained that Indonesia would take no more than "a flexing of the muscles" and gave assurances that force would not be used. However, there was a possibility that patrolling clashes could occur.³² Indonesia's willingness to use force confirmed Australia's fear of invasion. This action, then, forced the Australian government "to accept a total reversal of the policies it had pursued over West New Guinea".³³ Subsequently, at last, this infiltration of soldiers into West New Guinea made the Netherlands concede defeat in negotiations under American chairman-

ship.³⁴ West New Guinea, thereafter was called Irian Jaya (West Irian) and was under Indonesia control on 1 May 1963 after an interim period of United Nations administration.

The so-called West New Guinea problem dominated Australia-Indonesia relations and Australia's policies towards Indonesia from 1945 until 1960. In Australia, as Millar's book suggests, the fact that during this period Indonesia was politically unstable and at the mercy of communist interests meant that it was a potential threat to the security of Papua New Guinea (East New Guinea) and Australia. From the point of view of foreign policy, both Australia and Indonesia tried to avoid conflicts that would have brought about a total break in relations. For Australia the "support from the United States" to assuage public fears of 'threat' was arranged through a communique of the May 1962 ANZUS which claimed that the treaty applied to the defence not only of the three states but also of "any island territory under the jurisdiction of any of the three governments in the Pacific".³⁵

The notion that Australia's policy towards the so-called West New Guinea case was based on security dilemmas and the fact that Indonesia is the nearest Asian neighbour to Australia convinced the Australian government of the need to have neighbourly relations with Indonesia. A good relation-

³¹Ibid.

³²Greenwood and Harper, *Australia In World Affairs*, 312.

³³This was done by some help from President Kennedy and in the teeth of most press and public opinion. See, Millar, *Australia in Peace and War*, 229.

³⁴U Thant, the former Secretary-General of the United Nations, gave Ellsworth Bunker the authority (a former United States Diplomat) to represent as a mediator on the transfer of the Netherlands authority to a temporary executive authority under the Secretary-General of the United Nations. See, Paul W. van Der Veur, "The United Nations in West Irian: A Critique," *International Organization* 18, no. 1 (1964): 54.

³⁵Millar, *Australia in Peace and War*, 229.

ship with Indonesia would be very beneficial to Australia. As such "a good will objective" in Australian foreign policy was applied with regard to the West New Guinea problem.³⁶ The "good will objective" in Australian foreign policy, was aimed square-

³⁶See, Greenwood and Harper, *Australia In World Affairs*, 319.

ly at trying to keep Indonesia out of the communist camp. Furthermore, the "good will objective" might help Australia to drive its markets and business contacts in Asia. And, last but not least, it also might help Australia to understand the attitude of its neighbours who are mostly Asians, instead of European people.

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ASEAN, the South Pacific Forum and the Changing Strategic Environment

C.P.F. Luhulima

The New Strategic Setting

THE dissolution of the Soviet Union and the establishment of the Commonwealth of Independent States on December 8, 1991 with its capital in Minsk, Byelorussia was an immense geopolitical change. The root of the unmaking was essential economic. It was initially the intellectuals who admitted that backwardness in the Soviet Union was spreading. Gorbachev was not the first Soviet reformer. Krushchev preceded him in recognising that economic change was essential if the Soviet Union was to be competitive in the twentieth century. Like Krushchev, Gorbachev started as a reformer, not as a revolutionary. He wanted to save socialism, or rather Leninism, not dissolve it.¹ But in the process he and his

associates lost control, particularly as the idea of *glasnost* and *demokratisatsia* spread across the country like wildfire. The advance of *glasnost* without *perestroika*, without fundamental economic restructuring was considered by Asia's communist countries, particularly China, North Korea and Vietnam, as a significant weakness and failure.

The Commonwealth of Independent States (CIS) will probably not survive. The Russian Federation have emerged as the inheritor of the Soviet Union and will become the major power on the Eurasian continent. The restructuring efforts and the major conversion of capabilities and the technological infrastructures which are being conducted, particularly in Russia, will allegedly produce results in the coming five to ten years in case the restructuring of the socio-political system bears fruit. If Russia's re-emergence materialised within the next ten years, then there is a great possibility that in the beginning of the 21st century the world will again face a balance of power of two nuclear giants, accompanied by other

An updated version of a paper prepared for the "Third Southwest Pacific Conference on Regional Peace, Stability and Resilience," at Hotel Victoria Panghegar, Ujung Pandang, 2-4 March 1992.

¹See Mikhail Gorbachev, *Selected Speeches and Articles* (Moscow: Progress Publishers, 1986).

centres of powers: the unified Europe, Japan and most probably the People's Republic of China. However, if the current restructuring efforts failed and dictatorship again gained supremacy, that balance of power may again manifest itself as a balance of terror.

As a consequence of this fundamental geopolitical change, the United States emerged as the sole power of global extent, be it militarily, political or economic. On the other hand, it would be entirely incorrect to assume the United States as being able to achieve regional hegemony in any part of the world, let alone global hegemony. It is, moreover, difficult for any US president to involve the American people in international affairs continuously without solving domestic issues in the economy, narcotics, crime, etc. The relationship between American domestic and foreign policies is very close indeed and every administration will have to pay attention to the fact. However, this does not mean that the US will pull out of the area, as was emphasised by President Bush in Singapore in early January 1992.

For the time being the United States projects the continuation of the old strategy, but on a smaller scale because of budget constraints. The US defence strategy in North-east and Southeast Asia will principally be directed towards major regional contingencies that threaten American interests. It is thus highly probable that the United States will close down all or almost all permanent bases outside the country. In exchange the US will have staging areas and bases kept in readiness in countries allied to the US assisted by a host of US technicians. The United States will rely more on lift operations and rapid deployment operations to be engaged in cases already agreed upon bilaterally or multilaterally. This security

structure will depend greatly on the cooperation and participation of countries which are partners in security cooperation, increasingly relying upon multilateral defence agreements or arrangements. This is a structure more in line with the strategic realities of the 1990s.²

Meanwhile, the European Communities (EC) made a breakthrough in Maastricht on February 7, 1992 by signing the 320-page Treaty on European Union comprising the Economic and Monetary Union and Political Union. The European Union comprises one currency, one economic policy, one foreign policy, one defence policy ("when the time comes"), one citizenship, and one parliament with extensive powers. One currency will be in force on January 1999 at the latest, at which time Euro-Fed will assume the job of deciding on EC monetary policy. One currency particularly means a definite increase in the global impact of the Single European Market, a much more improved overall stability and also more equity in all countries and regions of the European Community. With the enforcement of the European Currency Unit (ECU), or whatever new name the single European currency will obtain, the world will be divided into three major monetary blocs, the ECU, the US dollar and the Japanese Yen.

The European Union have formally popularised trading blocs. The United States and Canada are establishing the North American Free Trade Area (NAFTA) in almost all products and will include Mexico in 1992. A number of similar agreements have been signed by various states in Latin America and the Caribbean. Australia and

²R. Scalapino, "The Old Superpowers and the New Asia," *International Bulletin* (Pacific Basin Economic Council, November 25, 1991).

New Zealand are integrated in ANZCERTA (Australia New Zealand Closer Economic Relations Trade Agreement). The South Pacific Forum established the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA) at its 11th Summit in 1980 which allows for duty-free and unrestricted access on a non-reciprocal basis to the Australian and New Zealand markets for almost all products exported by the Forum Island countries. Sixteen Asia-Pacific countries, including ASEAN, established APEC (Asia-Pacific Economic Conference) in 1989. ASEAN have agreed in establishing a free trade area in fifteen years starting January 1, 1993.

Trading blocs provide both opportunities and threats. They can increase efficiency, stimulate market growth and step up world trade if they remain open. EC's share of global trade is substantial: its external export amounts to 20 per cent of world exports, against the United States' 15 per cent and Japan's 9 per cent. These exports are equivalent to 9 per cent of its own GDP, as compared to Japan's 9.3 per cent and the USA's 6.7 per cent. The Community promised to strictly abide by GATT's (General Agreement on Tariffs and Trade) rule for multilateral trade. Hence the EC has much to lose in a protectionist Europe or "fortress Europe". The trio of Frans Andriessen, commissioner for external relations and trade policy, Martin Bangemann, commissioner for internal market and industrial affairs and Sir Leon Brittan, commissioner for competition policy, a powerful block within the European Commission, keep pushing for a more open Europe.

This does not, however, mean that there is no protection in the EC. The Japanese are aware that Europe 1992 is partly directly at

them. They are outstanding in those industries that Europeans are most likely to protect -- cars and electronics. The most significant sign of European protectionism, i.e. a more determined use of the anti-dumping weapon, have mainly been directed at the Japanese and the Newly Industrialising Economies (NIEs). The overall voluntary export restraint imposed upon them by the Europeans has converted the Japanese to devotees of the GATT's multilateral trading system. It now perceives GATT as a good defence against being singled out by Europe and the US for specifically tough treatment. However, the gist of the Japanese concern is "not so much free trade as trade access". The Japanese have apparently no conceptual problem with a "fortress Europe"; the important thing for them is that, "when and if Europe's walls go up, the Japanese transnationals are qualified as European companies".³

Like in Europe, economic considerations will determine international relations in the Asia-Pacific region. Asia-Pacific countries will have to interlink bilaterally, regionally and globally simultaneously. One striking phenomena in the region which bears upon the dominance of economics is the emergence of economic growth centres that transcends politics, ideology and economic systems. These growth centres comprise China's Guandong province, Hongkong and Taiwan; Fujian and Taiwan; Shandong or China's other northeastern provinces and South Korea; Sakhalin-Kuriles-Northern Japan; Vladivostok-Niigata at Japan's west coast; in the south Yunan-Guangxi-northern Thailand with outlets to Bangkok, Hai-

³Nicholas Colchester and David Buchan, *Europe Relaunches. Truths and Illusions on the Way to 1992* (London: The Economist Books, 1990), 197-199.

phong and Yangoon; the growth triangle Singapore-Johor-Riau (SIJORI), Medan-Phuket-Penang; and Eastern Indonesia and the Northern Territories of Australia signed only recently (January 14, 1992). One of the most interesting aspects of the 1990s in the Asia-Pacific region is the relation between the growth centres and the political entities, i.e. national states. How matters of jurisdiction, policy and control will be defined in these new developments are very interesting questions indeed.

Prior to this phenomenon, Japan had already succeeded in creating the so-called Pacific production structure in the Western Pacific region. Japanese foreign direct investment (FDI) had played and will continue to play a crucial role in the further development of this structure. The ASEAN economies have become part and parcel of this regional production structure. The Japanese lower-tech manufacturing base will presumably be relocated to Southeast Asia. The demographic problem they are facing, the ageing of Japanese society, plays an important role in this decision as well.

The supremacy of economic considerations will result in a series of contradictions in Asia-Pacific communist countries, in China, North Korea, Vietnam, Laos. In each of these countries it is widely acknowledged that economic backwardness can only be overcome by developing more intensive contacts with market economies. At the same time these countries endeavour almost desperately to hold on to communism for the sake of stability. This contradiction is visible in each communist country in the region. The appeal is essentially nationalistic, i.e. to block the pervasive influence of foreign ideas and to thoroughly screen scientific and technological concepts entering society in the

wake of market economics. These contradictions will increase and before the 1990s is out the political weight of Leninism will have narrowed down considerably. It will be well-nigh impossible to hold on much longer to Leninism in a world which is changing so fast. (Nonetheless, Gorbachev keeps contending that socialism is not dead.) It does not, however, mean that parliamentary democracy will prevail.

Political attitudes will presumably remain authoritarian, i.e. political freedom will continue to be curtailed. Freedom of the press, of assemblage and of speech will still be limited, although not as strictly as under Leninism. A civil society will emerge and exist alongside the state and up to a certain extent even separate from the state. In the field of religion, education and family, institutions will operate with a certain degrees of autonomy.

In the political and security field the possibility of big power conflicts will be low in the present decade. Bilateral relations among countries in the region will be characterised by a combination of cooperation and competition, at times leading to contestations. This is especially true for United States-Japanese relations, which only recently was the topic of discussion between President Bush and Prime Minister Miyazawa in Tokyo, for United States-Chinese relations, for Chinese-Japanese relations, and for Russian-Chinese and Russian-Japanese relations. A mechanism for continuous dialogue and negotiations to resolve a series of issues before they reach the stage of excessive emotionalism is a *sine-qua-non*.

The Chinese-Japanese relationship is particularly crucial. Japan's role in the Asia-Pacific region will continue to increase

substantially, thus enlarging the differences between the two countries in politics and economics. And Japan will keep wondering whether China will be capable of managing its societal restructuring and whether it will become a dominant actor in the region early in the next decade. On the other hand, the Chinese, as everybody else in the region, are also curious to know whether the Japanese will make the decisive step of transferring themselves from an economic giant into a political and military one before the decade is out. Japan is already the second largest contributor to the United Nations (after the US). It has long yearned for a permanent seat on the UN Security Council; it has long hankered after the prestige of a seat alongside the US, Russia, China, the United Kingdom and France. Such ambitions have sharpened.

ASEAN's Response

ASEAN's top-level evaluation of the new strategic setting was conducted at the 24th Annual Ministerial Meeting in Kuala Lumpur (July 19-20, 1991), the 23rd Meeting of the ASEAN Economic Ministers, also in Kuala Lumpur (October 7-8, 1991), reaching its final formulation at the fourth Summit in Singapore (January 27-28, 1992). ASEAN's leaders concluded that the organisation they lead "shall move towards a higher plane of political and economic cooperation to secure regional peace and prosperity". In the field of economic cooperation ASEAN will "constantly seek to safeguard its collective interests" in response to Europe 1992 and NAFTA and other perceived protective trading blocs, specifically through the "promotion of an open international economic regime and by stimulating economic coope-

ration". They will also seek "avenues to engage member states in new areas of cooperation in security matters".

The top-level evaluation leads up to programmes of actions in the fields of politics and security, economics, functional cooperation and institutions. It is not the intention of this paper to discuss all the dimensions of ASEAN's cooperation. It will restrict itself to responses in the political, security and economic fields in line with the topic of this conference.

ASEAN's political and security relations with the major powers will not be developed on the basis of the Treaty of Amity and Cooperation in Southeast Asia (TAC), since it primarily stresses the principle of non-intervention. In TAC it is stipulated that signatories to the Treaty will constantly endeavour to resolve bilateral and multilateral conflicts among countries in the region peacefully, without resort to weapons. This is essentially ASEAN's contribution to the realisation of ZOPFAN and a Southeast Asia Nuclear Weapon Free Zone (SEAN-WFZ). And ASEAN request the major powers to give their contribution to peace, freedom and neutrality, to the establishment of SEANWFZ, to security in the region and not to intervene or involve themselves militarily, as was the case in Vietnam and Cambodia. The major powers have to commit themselves to certain principles, i.e. their contribution to regional security and stability, and, hence, in coordination with ASEAN work towards the establishment of ZOPFAN. The idea of expanding the number of signatories to TAC beyond the region according to the Protocol Amending the Treaty of Amity and Cooperation in Southeast Asia (December 15, 1987) -- as was proposed by Thailand -- was politically, not legally, unac-

ceptable to ASEAN's foreign ministers, particularly to Indonesia's foreign minister. Indonesia will refuse every proposal to make TAC the principal mechanism to restructure a regional order in Southeast Asia. "TAC will not be able to supersede ZOPFAN", said Foreign Minister Ali Alatas. ZOPFAN is still very relevant.⁴

But then, ASEAN leaders are aware that time has come to re-evaluate the concept of the Zone of Peace, Freedom and Neutrality in the region. Since its declaration on November 27, 1971, ASEAN members are determined to "exert initially necessary efforts to secure the recognition of, and respect for, Southeast Asia as a Zone of Peace, Freedom and Neutrality, free from any form or manner of interference by outside Powers".⁵ Efforts to further negotiate on the concept and produce an acceptable formula of ZOPFAN has been delayed by the Vietnam and Cambodian conflicts and major power rivalries in the region. Further efforts will be made shortly to re-evaluate the concept.

Meanwhile, opinions on security among ASEAN member countries still differ considerably. For George Yeo, Singapore's minister of information and the arts as well as second foreign minister for foreign affairs, the prospect of Asia for the next 20 years without United States forces is "frightening", reflecting the general state of mind of Singaporeans. The consequence will then be, he further argued, that "Japan may feel compelled to rearm to safeguard its trade route beyond the thousand nautical miles south of

Tokyo. This could in turn prompt the Chinese and the Koreans, who have not forgotten the past atrocities inflicted on their people, to build up their respective armed forces to counter and contain any Japanese rearmament. A whole chain reaction of destabilisation could follow".⁶ These considerations and the feeling of being threatened by Indonesia and Malaysia are apparently behind Singapore's abrupt decision to offer its naval repair facilities to the US Navy. Is the American naval presence also meant to partly curb the Japanese economic expansion in the region and for the US to remain having a say in Southeast Asia, economically, politically, and military? Whatever the consideration, the US facilities in Singapore are there to stay and ASEAN will have to live with it. However, those facilities are no longer the security umbrella upon which the Asia-Pacific countries have relied upon for decades.

Thailand also support a US presence in Southeast Asia, specifically as a guarantor of continued stability and economic prosperity. However, Prime Minister Anand Panyarachun of Thailand prior to the Singapore Summit said that ASEAN should take responsibility for their own security and design a new regional security order without external assistance. "We have to rely on inner strength and reduce dependence on outside powers", meaning primarily the US, the linchpin of regional security and stability.⁷ Malaysia, however, shows more restraint publicly. But Malaysian officials who are discussing the use of their new ship-repair facilities at the 600 million Malaysian dollar

⁴*Kompas*, 24 January 1992.

⁵Zone of Peace, Freedom and Neutrality Declaration, in *ASEAN Document Series 1967-1988* (Jakarta: ASEAN Secretariat, 3d ed., 1988), 34.

⁶Opening Address by Dr. Yeo Ning Hong, Singapore Minister for Defence, at the "Asia-Pacific 1992 Conference," Singapore, 26 February 1992.

⁷*Jakarta Post*, 27 January 1992.

Naval Dockyard Sdn. Bhd. in Lumut by the United States, privately support a prolonged US security role. The Philippines are for a more active role of ASEAN member countries "in shoring up their defence arrangements individually and collectively", as was emphatically stated by Assistant Foreign Secretary Romualdo Ong. Former Foreign Minister Mochtar Kusumaatmadja is, however, of the opinion that the US presence was part of their global strategy: "We cannot allow the security of our region to be dependent on the vicissitudes of the United States".⁸ Indonesia has been the tireless champion of the Zone of Peace, Freedom and Neutrality, and it is expected that Indonesia will again take the initiative to start the negotiations on ZOPFAN broken off after hostilities started in the region.

ASEAN countries should therefore continue to pursue national policies which would enhance regional cooperation and security. Security cooperation could include personnel exchanges between military units, mutual visits to military facilities, bilateral exercises to improve interoperability and other such measures which could help enhance confidence in the peace and stability of the region. It is a well-accepted formula that national resilience involuntarily leads up to regional resilience, to the high degree of interaction among countries of the region, to their degree of commitment to the region and the creation of a regional capability in facing challenges and making optimal use of opportunities. It is therefore national and regional resilience that remains the linchpin of ASEAN's security.

The institution to discuss security issues

⁸Quoted by Peter Mackler, "ASEAN States Differ on Security Outlook," *Jakarta Post*, 24 January 1992.

among ASEAN members will be the Annual Ministerial Meetings and the Senior Officials Meeting (SOM). The one to discuss those issues with external powers will be the ASEAN Post-Ministerial Meeting, the vehicle for talks with its dialogue partners. The PMC itself has two distinct formats. The first format is the bilateral and formal one, the 6 + 1 formula, i.e. the sessions of 6 ASEAN foreign ministers with the foreign minister of each dialogue partner (Australia, Canada, European Communities, Japan, New Zealand, South Korea, the United States of America). The second format is the multilateral and informal one, the 6 + 6 formula. At the 6 + 6 dialogue 6 ASEAN foreign ministers face 6 foreign ministers of the dialogue countries. It is the second format that the Summit referred to when it stated that "ASEAN should intensify its external dialogues in political and security matters by using the ASEAN Post-Ministerial Conferences (PMC)".⁹ Other fora for security discussion are the informal security seminars held in Manila and Bangkok in 1991 and the workshops on the South China Sea held in Bali in 1990 and Bandung in 1991.

The presence of China and the Soviet Union as observers at the ASEAN Ministerial Meeting in Kuala Lumpur in July 1991 will be repeated at the next AMM in Manila in mid-1992. It is proposed at the Summit that China should be invited to the next AMM in the Philippines as guest of the Chairman of the ASEAN Standing Committee to attend the opening session and to meet on a consultative basis with the ASEAN foreign ministers. The Federal Republic of Russia was not mentioned apparently on ac-

⁹*Singapore Declaration of 1992 (Political and Security Cooperation)*, par. 3.

count of the difficulties the country is facing politically and economically. It is, however, imperative to invite China and Russia to the multilateral and informal 6 + 6 meeting to achieve the objective of a security structure based on ZOPFAN ASEAN is striving for.

ASEAN's economic answer to the new strategic setting is the commitment at the Summit that intra-ASEAN trade should be substantially increased, that the investment climate is to be improved to attract foreign capital and to strengthen its economic relations with its non-ASEAN partners.

The major decision taken was the establishment of the ASEAN Free Trade Area (AFTA) with the Common Effective Preferential Tariff (CEPT) as its main instrument. For products not covered by CEPT, the older ASEAN Preferential Trading Arrangement (PTA) or other earlier devised mechanisms will apply.

The AFTA is to be established in 15 years in which tariff levels will have been reduced to an effective range of 0-5 per cent. The CEPT Scheme will cover manufactured products, including capital goods and processed agricultural products. To allow for more products to qualify for the Scheme, ASEAN content requirement will be reduced to 40 per cent for all ASEAN countries for the first five years after which it will be reviewed. All quantitative restrictions applied to products under the CEPT Scheme shall be done away with "upon enjoyment of the concessions applicable to those products". With a view to other non-tariff barriers, member countries should endeavour to eliminate them within five years after enjoyment of the concessions applicable to those products. ASEAN have identified 15 product groups at a Harmonised System (HS), i.e. HS 6-digit

level, which will initially be included in the CEPT scheme for accelerated tariff reductions: vegetable oils, cement, chemicals, pharmaceuticals, fertilisers, plastics, rubber and leather products, pulp, textiles, ceramic and glass products, gums and jewellery, copper cathodes, electronics and wooden and rattan products.

Exclusions are, as usual, allowed for member states temporarily not ready to include such products in the CEPT Scheme. Hence the 6-x formula applicable to specific products which certain member countries are initially not able to grant concessions.

The reduction of tariffs from existing rates down to 20 per cent shall be conducted within five to eight years, from January 1, 1993. The subsequent reduction of tariff rates from 20 to 5 per cent or 0 per cent shall be done in seven years. A programme of reduction shall be at a minimum of 5 per cent per reduction and the programme of reduction shall be announced by each member states at the start of the programme.¹⁰

The AFTA is ASEAN's response to economic regionalism with protective tendencies, Europe 1992 and NAFTA. Earlier, Malaysia proposed an East Asia Economic Grouping (EAEG) with Japan as the nub. However, the proposal did not meet with the approval of all other ASEAN members, particularly Indonesia. It was considered unclear in its objectives and duplicating ASEAN's existing mechanisms of cooperation as well APEC's. The Philippines questions the approach to achieve the EAEG objectives and its operationalisation without

¹⁰ *Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for the ASEAN Free Trade Area* (Singapore, 28 January 1992), art. 2, par. 2-7 and art. 4, par. 1.

obstructing the achievement of ASEAN's strategic objectives. Thailand questions the rationale of the establishment of EAEG in the light of the possibility of the success of the Uruguay Round. Only Singapore has supported and still support the idea as long as the EAEG strengthens existing cooperation through ASEAN, APEC, and GATT.

At the 23rd ASEAN Economic Ministers Meeting in Kuala Lumpur the idea of EAEG was formally modified into the East Asia Economic Caucus (EAEC) to avoid the impression of being confrontational vis-à-vis countries outside the grouping, particularly the United States which vehemently protested against being excluded. It even pressured Japan to decline participating to which Japan complied.

The Summit's decision on EAEC is "ASEAN recognises that consultations on issues of common concern among East Asia economies, as and when the need arises, could contribute to expanding cooperation among the region's economies, and to the promotion of a open and free global trading system."¹¹

The South Pacific Forum's (SPF) Response

The top-level evaluation of the SPF occurred earlier, at the 22nd SPF meeting in Palikir, Pohnpei, the new capital of the Federated States of Micronesia on July 29-30, 1991. It may be difficult for the Pacific Island Nations to look beyond their horizon at the new global relationships. Nevertheless, the region's changed security perceptions following the end of the Cold War were also discussed. US Assistant Secretary of State

Richard Salomon who attended the Post-Forum Meeting on behalf of the US government stated that the realities of the new strategic environment would inevitably affect the size and shape of the US secretary presence in the region. Nevertheless, he emphasised that the fundamental principles of the US commitment are not changing: "We are a Pacific nation and we intend to remain in the Pacific", thus repeating the already worn-out statement.¹² At the end of their meeting the Forum stressed that "in a rapidly changing global political and economic scene, exchange of information and dialogue among the member governments was increasingly important".¹³

If the meeting was any guide, the South Pacific is expected to be marked by greater regional stability as a consequence of the changed strategic setting, by greater concentration of trade of processed and value-added commodities and economic development and the perennial problem of how to achieve progressive growth without ruining the environment. Economic prospects and trade dominated the forum discussions. Private sector activity was particularly emphasised. Previously expressed environmental concerns were again expressed very strongly -- global warming, climate change, French nuclear testing, the presence of Johnston Atoll Chemical Agent Disposal System (JACADS), the US storage and incineration facility to the west of Hawaii -- and dominated the communique. The travails of New Caledonia was also tabled again.¹⁴

¹²James Pringle, "Alone on a Wide Sea," *Far Eastern Economic Review* (15 August 1991): 17.

¹³*Twenty-Second South Pacific Forum Communique*, par. 26.

¹⁴*Asia 1992 Yearbook* (Hongkong: Far Eastern Economic Review, 1992), 64 ff., 22 ff.

¹¹*Singapore Declaration of 1992*, par. 5, Directions in Economic Cooperation.

The SPF's response is entirely different from ASEAN's. This is primarily the consequence of their geographical and demographic structure. The Pacific Island Nations have both intrinsic and extrinsic problems facing economic development. The intrinsic problems are well known, such as "smallness, fragmentation, remoteness, poor resource endowment, dependence on very few export items, a limited domestic market, high expenditure on administration and proneness to natural disasters."¹⁵ Those particularly disadvantaged are the low coralline island nations. The acquired disabilities comprise incremental dependence on imports of foodstuff, environmental pollution (partly as a consequence of rapidly expanding populations) and particularly the difficulties encountered in human resource and institutional development. Human resource development is indeed a major issue facing Pacific Island Nations as is the case in all ASEAN countries. Appropriate formal education, vocational and professional training programmes are needed to meet the shortage of managerial and technically skilled manpower for the improvement of public sector planning and implementation and the increased private sector investment, such as for the privatisation of public enterprises and activities and for the export industry.

As a consequence, the South Pacific is more aid-dependent than any part of the developing world. In the interests of economic growth the Post-Forum Dialogue was instituted in 1989, indicating that the world is waking up to the South Pacific. Dialogue

partners are Canada, China, the European Communities, France, Japan, the United Kingdom and the United States. Any hope of Taiwan being accepted by the Post-Forum Dialogue was dashed. Ratu Sir Kamisese disclosed that Premier Li Peng had lobbied since the Vila Forum against any Taiwanese presence at the dialogue. Only four SPF states -- Nauru, Solomon Islands, Tonga and Tuvalu -- have diplomatic relations with Taiwan. Nonetheless, the Forum agreed "in principle that a separate dialogue meeting should be held with Taiwan".¹⁶ The European Community was represented for the first time by European Commission officials. In this context, the Forum emphasised that while substantial aid flows remained of critical importance to the Pacific Island Countries, "there was a need for greater emphasis to be given to issues involving the private sector including trade and investment". For this purpose the region should continue to strengthen and promote links with the non-Forum countries in the Pacific and with the APEC and PECC. The relationship between the Secretariat and the ASEAN Secretariat should be further fostered. A number of important issues were identified to further promote development of policies and programmes, such as the role of the private sector, recurrent cost issues of aid delivery, development of strategic planning and policy formulation capabilities, human resources development, including higher education as well as training and development of aid consultative mechanisms.¹⁷

In comparison to the ASEAN region, environmental issues more than economic considerations determine international relations in the South Pacific region. For the Pacific

¹⁵Robbin Yarrow, "Pacific Island Nations -- Rim Relations," in *The Pacific Islands and Pacific Opportunities for Enhanced Collaboration through the PECC Process* (Chinese Taipei Pacific Economic Cooperation Committee, 1991), 25.

¹⁶*Asia 1992 Yearbook*, 65.

¹⁷*22nd Forum Communiqué*, pars. 3, 4, 6.

Island Nations environmental issues are the greatest security threat. Thus the SPF has achieved conspicuous diplomatic success on environmental issues, not reflected in the region's trade and economic development. The campaign to do away with driftnets, the catch-all trawling technique, used primarily by South Korea, Japan and Taiwan has resulted in the entry into force of the Wellington Convention for the Prohibition of Fishing with Long Driftnets in the South Pacific on May 17, 1991. The Palikir Forum also reiterated that the UN Resolutions 44/225 and 45/197 which mandated the complete cessation of driftnet fishing in the South Pacific by July 1, 1991 and the imposition of a moratoria in all regions of the world on all large-scale driftnet fishing on the high seas by June 30, 1992 "should be fully implemented."¹⁸ South Korea, Japan and Taiwan formally stopped their driftnet fishing in the South Pacific in 1989, 1990, and 1991 respectively, though they still continue, if only more discretely.

By the end of 1990 the Forum vehemently opposed the use of JACADS and at the Palikir Forum reaffirmed the "fundamental importance of advice and content of Pacific governments in any future actions by any state that could impact upon the health and well-being of Pacific people". The US government assured that it would cease operation of JACADS and dismantle the facility following the destruction of chemical weapons now on Johnston Atoll.¹⁹ "We want respect for our atmosphere, for our oceans", said Cook Islands' Prime Minister, Geoffry Henry.²⁰ The SPF plans to continue

its high profile on environmental issues, and intends to send a high-level delegation to the UN Conference on Environmental and Development in Rio de Janeiro, Brazil in June, 1992. Global warming and sea level rise are still considered and defined as the most serious environmental threat to the South Pacific region. Eighty per cent of Greenhouse gases come from 25 per cent of the inhabitants of the industrialised world. "In essence, the White House wants to give carbon dioxide emissions from gas-guzzling US cars and CPF productions from US chemical industries equal status with methane emissions from rice farmers struggling for survival in the world's deltas", exclaimed Pene Lafale, Greenpeace campaigner who was active at the Palikir Forum meeting.²¹

Global warming and sea level rise is particularly threatening to Kiribati. Thirty two of the thirty three islands comprising Kiribati rise no more than two metres above sea level. It is forecast that Kiribati as low-lying state is particularly sensitive to climatic change and rising sea-levels. Its very existence is seriously jeopardised by any significant rise in sea level. Hence, total submersion of the country is matter of time if climatic changes are not reversed globally.

One environmental issue on which the Forum has so far not been successful is nuclear testing. This continues to strain relations between the South Pacific nations and the nuclear powers. The issue was raised with President Bush during the Hawaii meeting between the Pacific Islanders and the United States in Hawaii in late 1990. The US President gave no pledge that Washington would ratify the SPF's South Pacific Nuclear Free Zone Treaty. Bush also refused to put pressure on France to stop its nuclear

¹⁸Ibid., par. 21.

¹⁹Ibid., par. 24-5.

²⁰Brendon Burns, "20 Years Later," *Pacific Islands Monthly* (September 1991): 23.

²¹Ibid.

weapon testing programme at Mururoa Atoll in French Polynesia.

Last year's Forum meeting also discussed New Caledonia, a source of constant concern to the island states since 1981, and increasingly so since the tension between the communities in New Caledonia erupted in outbreaks of violence. SPF obtained the approval of the French government, after a series of negotiations, to send a mission to its territory in mid-1991 to monitor annually the realisation of the Matignon and Oudinot Accords of June 1988 and August 1988, a 10-year framework for rebalancing the dif-

ferences between the two communities through economic and social development and other decolonisation measures towards an act of self-determination in 1998. Although one of the peace plan's aim is to foster economic development in the interior of New Caledonia, economic activity remained concentrated in Noumea, where approximately 60 per cent of the population live.²²

²²Ministry of External Relations and Trade, "The South Pacific Forum: 21 Years of Regional Cooperation," *Information Bulletin* 38 (New Zealand, December 1991): 19; see also *Asia 1992 Yearbook*, 65.

Book Reviews

Indonesia's Higher Education in 1991

Indonesia Assessment 1991, edited by Hal Hill. Canberra: Department of Political and Social Change Research School of Pacific Studies, Australian National University (ANU), 1991, xx + 197 pp. Reviewed by Daniel Setyawan.

THE year 1992 marks the end of the First Long-Term Development Programme with the termination of *Pelita V* (Fifth Five-Year Development Plan). Indonesia started its first long-term development programme as a result of the legacy left by the old order government, which included an inflation rate of 650 per cent a year, public savings standing at less than 10 per cent, weak private sector and per capita income amounting to less than 100 dollars per year. Hence it stands to reason that the development programme places an emphasis on the economic development since the other sectors depend on Indonesia's economic growth for their funding, as does the sector

of education. Today, after 25 years under the new order government, Indonesia's economic growth has dramatically changed the country. Progress has been achieved in almost every field. In education substantial improvements have been made at all levels.

In 1989/1990, the number of new enrollments and the total number of pupils at primary schools, in regular public and private schools, as well as the *madrasah ibtidaiyah* (Islamic primary schools) was about 5 million and 25,807.0 million respectively, whereas at the lower secondary level junior high schools students numbered 7 million and there were one hundred thousand students attending at junior vocational educational schools. Of the total, more than two and half million were new entrants.

In 1989/1990 the total number of students of upper secondary level was 11,616,000. Concurrently the number of senior high school (SLTA) students rose by

11.3 per cent to about three million, compared with that of 1988/1989. The increase of senior high school students has occurred since the initiation of the Five-year Development Plan (Repelita) in 1968/1969. Even in 1983/1984 it rose by 50.2 per cent or 1,301,000 and 38.4 per cent or 1,619,300 in 1989/1990. (*INDONESIA 1991*, An Official Handbook, Department of Information Republic of Indonesia).

In 1989/1990 there were 385,500 graduates of the upper secondary level who enrolled in higher learning institutes, 268,900 of whom are studying for degrees and 116.6 thousand are in non-degree programmes. In 1989/1990 graduates of higher learning institutes totalled 183,200 of whom 109,600 earned degrees and 73,600 diplomas. This is an increase of 12 per cent compared to those of 1988/1989, an increase of 99 per cent compared to those of 1983/1984 and 190 per cent compared to those of 1973/1974. (*INDONESIA 1991*, An Official Handbook, Department of Information, Republic of Indonesia). In addition there are now 49 state and 914 private institutes of higher learning in Indonesia. This is the state of education in Indonesia, where there have been great improvements at all levels, though more in quantitative than qualitative terms.

The book, *Indonesia Assessment 1991*, edited by Hal Hill is an assessment of recent developments in the economic, political, and social fields, though the emphasis is placed on education at the tertiary level. The volume comprises three parts. Part I discusses Indonesia's recent economic and political development. Part II consists of papers analysing the state of higher education in In-

donesia while Part III contains some personal reflections on aspects of higher education.

In 1979, *Assessment of Indonesia Education*, was written by C.E. Beeby. The book documented the state of Indonesian education at the primary and secondary level in the period of 1971-1978 (Pelita II). As for the tertiary level only the Teachers Training College (IKIP and FKIP) was mentioned since it has something to do with the quality of teachers at the secondary and primary level.

Indonesia Assessment 1991 however, offers some insight on how the education system has fared subsequently. It is based on papers presented to the ANU's Indonesia Update 1991, organised by the Indonesian Project, Department of Economics, and the Department of Political and Social Change. The Update -- and this volume -- comprise two parts: an overview of recent economic and political developments and a major theme, namely the state of higher education in Indonesia.

After the preliminary chapters on economics and politics, the reader sets to the heart of the book, higher education. The chapters on education are contributed by prominent educators, educational experts, and distinguished researchers. Professor Sukadji Ranuwihardjo, Director General of Higher Education (Ch. 4) points out to the challenges facing policy-makers, in particular the explosive growth in student enrolment, the balance between strong egalitarian sentiments and the need to foster excellence, and the importance of internal and external reforms.

Professor Andi Hakim Nasoetion (Ch. 5) traces the evolution of higher education from the neglect during colonisation period through a range of key policy issues in the 1990s. He dwells on quality issues in lower levels of education especially senior high schools, points to the tremendous pressure on universities to accept larger number of students than they are able to handle effectively, and expresses his concern over the downgrading of science and low academic remunerations.

Dr. Mayling Oey-Gardiner (Ch. 6), who has conducted research on higher education for many years, examines policy-making and the regulatory processes in higher education. She stresses the highly centralised decision-making processes, where power is firmly held in the bureaucracy. She concludes with an illuminating account of how the regulatory system works in practice.

Professor Willi Toisuta (Ch. 7), Rector of Satyawacana University, a leading private university in Central Java, comments especially on how private universities adapt to the demands of the market place and to bureaucratic procedures related to accreditation and training. In the following chapter, Mrs. Ruth Daroesman (Ch. 8) investigates training issues, and how universities -- particularly the regional ones -- may utilise foreign donor programmes more effectively. She points to the need for internal administrative reforms, and cautions against initiatives to promote interregional 'institutional equity' to quickly, as the weaker regional institutions depend on the established metropolitan universities for much of their training and research programmes.

A recent feature of Indonesia's higher education system is the growth of business education. Business schools have proliferated in response to the needs of an increasingly sophisticated commercial-industrial society. Ahmad Habir (Ch. 9), an observer of the Indonesian business domain, examines this milieu. He points out that the government has played a minor role in the development of these institutions. Since the initiative has come from the private sector, schools have responded flexibly and creatively to private sector requirements.

Dr. Ernesto Pernia (Ch. 10), a human resource specialist formerly at the University of the Philippines and now at the Asian Development Bank, provides an important regional perspective on the development of Indonesian higher education. According to Pernia, Indonesia is a latecomer in the development of education and still has low completion rate at the primary level -- the lowest in Southeast Asia -- which leads to regressive social selection upstream in the educational system. However, if this problem is addressed and remedied, internal efficiency and equity in Indonesia's education system, which have a good record, would be further enhanced.

Four distinguished researchers complete the volume with a series of personal reflections. Professor H.W. Arndt (Ch. 11), founder of ANU's Indonesia Project and for many years a frequent visitor to Indonesian universities, suggests a programme to improve educational quality: salaries need to be raised (financed by higher fees and research contracts); there should be stronger incentives for higher quality teaching and research; and stricter academic performance

requirements need to be imposed on staff once better conditions are achieved.

Dr. Joan Hardjono, who has first-hand experience in Indonesian universities for years and who is one of Indonesia's leading researchers on rural development (Ch. 12) highlights the universities from the viewpoint of the lecture room. She points out that while the system's quantitative achievements are impressive many discouraging problems still prevail -- the absence of a link between teaching effort and reward (intellectual and material), inappropriate criteria for promotion and widespread 'multiple jobbing'. Dr. Masri Singarimbun (Ch. 13), one of Indonesia's leading demographers and a prominent social commentator, more or less shares these views. Dr. Thee Kian Wie (Ch. 14), one of Indonesia's foremost economists, agrees with these recommendations and laments that much serious research on the Indonesian economy is undertaken by foreigners, arguing that domestic intellectual environment frustrates efforts to improve research quality. He comments that the so-called intellectual life in Indonesia is based on appearances. People 'being busy', attend 'endless seminars' and write quick reports, which result in 'prominence rather than eminence'.

While many of the authors of this volume adopt widely differing approaches based on a variety of experiences, a number of common themes are evident. Some of these themes refer to the need for direct public policy initiatives, others are deep problems, which can be tackled and resolved only in the longer term. Some of the most salient problems include: (1) Attracting and retaining high quality academics by improving academic remuneration;

(2) Inculcating 'academic culture' in Indonesia, for increased salaries are not a sufficient condition for improved teaching and research performance; (3) Devising an effective system to utilise training and staff upgrading opportunities, especially those offered by foreign donors.

Indonesia Assessment 1991 indeed provides a comprehensive information on the state of higher education in Indonesia. However, higher education is inseparable from that of the lower levels of education, namely the primary and secondary schools since they are the source of problems that continue into the tertiary level. This problem is also mentioned by Professor Andi Hakim Nasoetion. Many people consider higher education as a passport to a successful career, especially in the civil service. Consequently, parents encourage their children to pursue a university education regardless of their academic capability. This leads to problems that have already been discussed by the authors of this volume. Hence, it is vital that more secondary vocational schools be established to accommodate the less academically gifted instead of abolishing them as in the case of the secondary teachers training schools (SPG).

Although not all aspects of Indonesian education is covered by this volume, it provides a wealth of valuable information on higher education and to a lesser extent on the lower levels of education and should be read by educational policy-makers, educators and university students, especially those attending at the teachers college. No doubt this volume will encourage further research on Indonesian education.

The Long Journey of Aye Saung: A Burmese Rebel

Otobiografi Pemberontak Birma: Catatan-catatan dari Bawah Tanah (Autobiography of a Burmese Rebel: Underground Notes) by Aye Saung, translated from the original version, *Burman in the Backrow: Autobiography of Burmese Rebel*, by Nurul Agustina, and introduction by Priyambudi Sulistyanto. Jakarta: LP3ES, 1991, xxvi + 332 pp. Reviewed by C.B. Supartomo and translated from its Indonesian version.

ON January 4, 1948, the Proclamation of the freedom of Burma was carried to all countries of the world. But only three months after this happy moment, the Communist Party declared war on Rangoon. Thereafter, ethnic groups also took up their arms to obtain freedom, or at least autonomy for their regions. Geopolitically the position of Burma is not very favourable. This country is flanked on each side by China and India, and shares borders with Thailand, Laos, and Bangladesh. So that dissatisfaction with the central government was immediately demonstrated by using force along the whole border. And that often happens in Burma.

It was as if there was something mysteri-

ous, since the proclamation of its independence, turbulence after turbulence without pause has occurred in the country of the Thousand Pagodas. The Anti-Fascist People's Freedom League (AFPFL) which was a coalition of nationalists and sparked their freedom, could not escape from fragmentation. In 1950, U Nu one of their top men, formed a "clean" AFPFL. Since the independence, the country that was praised by the English for its natural beauty and the richness of its nature, was torn apart by various political disturbances and rebellions, or civil wars.

As is usually the case in Third World countries which experience much turbulence, the military finally decided to take over power. Under the pretext of destroying moral corruption, and to maintain national stability in carrying out development, finally the civil government of U Nu was overthrown by General Ne Win on the second of March 1962. To solidify his power and the weight of national ideology, finally the government of Ne Win issued three important documents which were a blend of military tradition, nationalism, and socialism. The first was, "The Road to Socialism" (30 April 1930), which was afterwards implemented in the Programme of the Burma Socialist Party (PSPP), which had no other

purpose than being the only political party with the legal right to exist. The second was, the Constitution of the Socialist Party in Burma (4 July 1962), and the third was the System of Human Relations with its Environment: the Philosophy of Burma Socialist Program Party (17 January 1963) which became the theoretical foundation for the political and economic system of the Burma Socialist Party (pg. XLX).

In 1973, the military government of Ne Win began to realise "the road to socialism" in a more stringent way, which among other things was reflected in the nationalisation of all foreign businesses and the private organisations. The production and distribution systems, were exclusively managed by the state. The state was everything, and it arranged the lives of the entire population. After this, the Indian businessmen, who managed 60% of the business assets of Burma, did not escape nationalisation, which was without compensation. The same fate was suffered by the Chinese businessmen. The result was that since 1964 hundreds of thousands inhabitants of Burma of Indian or Chinese descent have left this country. As a consequence the economic condition of Burma weakened and collapsed.

Political Disturbances

Signs that the economy was becoming increasingly critical were already evident two years after Ne Win came to power. The scarcity of food, major staples and other household needs, forced the labourers to go on

strike. From this development, strike after strike continued to occur until 1967.

In the same way the pressure on citizens of Chinese descent during China's Cultural Revolution of 1967 enraged the government in Beijing and increased its assistance to the rebels along the frontier, and to the tribes of the Karen, Shan (Khun Sha) and Chin as well. In 1974, the country changed its name from the United Republic of Burma to the Socialist Republic of Burma. This was followed by the replacement of the Revolutionary Council by the People's Council. Disturbance after disturbance hit this country. About 300 young people and students were slaughtered by the regime then in power.

The disturbances that erupted in 1974 seemed to be a reaction towards the policy of socialism. The Ne Win government which intended to purge socialism by abolishing the markets, introduced demonetization of the Burmese "Kyat", which had great value. Through this measure, it was expected that the black markets, which were dominating the national economy would be hurt and afterwards disappear. But this calculation proved wrong, because the black markets remained unscathed. On the other hand, the prices soared whereas wages remained very low. All these increased the hatred of the people.

The political disturbances, which almost never stopped, peaked again in mid August 1988. At that time almost the whole nation, activated by the students, took to the streets to oppose the socialist government that had held power in the country of the "thousand pagodas" for 26 years. But this action,

which caused the death of about 3,000 youths and students, was finally put down by the Military Junta from the Ne Win clique.

Thereafter, the Military Junta, which named itself the State Law Order and Restoration Council (SLORC), promulgated the emergency regulations. A purge of rebellious elements went from house to house. Hundreds of thousands even millions of inhabitants of Rangoon (Yangon) were forced to move outside the city. To win back the hearts of the people, who were no longer happy with the socialist religious ideology a'la Myanmar (former Burma), the Burma Socialist Programme Party as the only legal party was dissolved. The Junta lead by General Saw Maung afterwards promised democracy through a clean and honest general election. For that purpose political parties were allowed to be set up according to the wish of the people.

Indeed this general election was held on 27 May 1988, in a cheerful atmosphere where about 100 political parties took part. But the election results showed that the National League for Democracy (NLD) had won 392 of the 485 available seats, suddenly the Junta changed its decision. Finally the SLORC, which was the vehicle of the Military Junta issued a decree that the transfer of power would be postponed pending an agreement on the drafting of a new Constitution. To date there has been little information about the completing of the new Constitution. Even after the opposition leader of Burma (Myanmar), Aung San Suu Kyi, obtained the Nobel Prize in mid October 1991, the new Constitution was not legalised.

The Long Road of Aye Saung

The book with a red cover and the title "*Notes from Underground*" is an autobiography of Aye Saung, a Burmese rebel, who is unyielding and will never surrender. The military coup de'état staged by General Ne Win (1962), as mentioned above, appeared to be a great turning point in the political history of Burma (Myanmar). This book records the circumstances of this turning point, and subsequent events by tracing the life of Aye Saung.

Through his activities as a progressive student, who becomes a political adviser to a rebel leader in the hinterland, Saung explores the realities of contemporary political life in Burma. In this book Aye Saung successfully points out the political reality of his land, that has almost never been without political turbulences. He points to students who courageously and patriotically struggled with him against Ne Win, who behaved cruelly towards his people. But being disappointed with the ideals of Shan's separatism and the centralism of the Burma Communist Party of Burma, afterwards Aye Saung embarked on a new direction to create a united and democratic Burma.

As a political autobiography, this book is an important document for those who want to deepen their knowledge of the history and the political map of Burma. However, this book is rather flat and unattractive so that it is rather tiring for those who have only a superficial knowledge of Burma. Furthermore, the translation is not always clear, and many sentences are too long. Yet on the whole, this book should be read by politicians, students, researchers, reporters and by others who want to know the history and the political map of Burma.

The Invisible Revolution in the Third World

The Other Path: The Invisible Revolution in the Third World, by Hernando de Soto, translated from its original title, *El Otro Sendero*, by June Abbott with a foreward by Mario Vargas Llosa. New York: Harper & Row, 1989, 261 pp. Reviewed by Anne Greene.

PERU and Indonesia are miles apart geographically and demographically. The first is a medium-sized Latin American country of almost 1.3 million square kilometers and population in 1988 of 21 million. The second is an extensive South-east Asian archipelago of almost 2 million square kilometers and a 1988 population of almost 175 million. However, the visitor to their capitals is instantly aware of similarities. Lima and Jakarta show signs of cities undergoing rapid, even rampant urbanisation.

There is the same profusion of street vendors and shops. Along *Jiron La Union* and *Jalan Tanah Abang*, individuals brave traffic to sell small quantities of candy, cigarettes, and refreshments to drivers stuck at red lights. Others display wares, ranging from produce to electronics, on the sidewalks. In addition, small roadside establishment with curb-side seating offer regional specialties such as *chicha* or *Sate Padang*;

others offer services such as tailoring and haircuts.

There is the same congestion in the streets. The quantity and variety of conveyances perplexes, as does the apparent chaos. Any number of animal, people, and lawn mower engine powered vehicles vie for customers equally in La Victoria and Jakarta Timur. Weaving in and out is an array of minibuses, microlets, vans, taxis, and super-sized diesel engined busses seemingly oblivious to other traffic and each following some preordained route with stops at slightly different parts of the block.

There is the same high density housing. People are living everywhere -- under bridges, up alleys, and beside train tracks. As a location becomes more settled, houses acquire second storeys, T.V. antennas, and solid walls.

The ubiquitous street vendors, public conveyances, and housing are the visible evidence of rapid urbanization. The merchants, drivers, and homesteaders form part of a vast informal sector that has had to fend for itself largely in the absence of government support and often in opposition to its hostility.

The Peruvian economist, Hernando de Soto, launched a study in 1979, to investigate the informal sector in Peru. He esta-

blished the Liberty and Democracy Institute (*Instituto Libertad y Democracia*) in Lima for this purpose and assembled a team to help analyze the data. In 1989, he published the results of the research in a book entitled *El Otro Sendero*. The same year, Harper and Row published the book in English as *The Other Path: The Invisible Revolution in the Third World* with a foreword by Mario Vargas Llosa, and a translation by June Abbott. The title is a play on words that refers to the *Sendero Luminoso*, or Shining Path, an organisation that is attempting to create a Maoist society through terrorism. De Soto offers a gentler, more constructive way to change society.

This is a seminal work that provides new insight into governments and creates considerable respect for the generally maligned and sidelined informal sector. De Soto's conclusions are fascinating and would appear to be relevant wherever there is rapid urbanisation and a large informal sector.

Massive urbanisation is predominantly a mid -- twentieth century phenomenon. The lure of the city thrives on the shortcomings of rural life. Due to improved communications and the flow of information, people in the most remote regions hear about and are moved by the economic, educational, and medical advantages of city life. This widespread phenomenon has even been memorialised in a song, "How're you gonna keep 'em down on the farm -- after they've seen Paris?"

In Indonesia, 15% of the population lived in urban areas in 1960, but by 1990, the rate had increased to 31%. In Peru, 46% of the population lived in urban areas in 1990, but by 1990, the rate had reached 70%. Quechua-speaking, long braided

Indian women in bowler hats, babies bundled on their backs, followed their husbands from the high ancestral Andean villages in search of a better life in the capital. Since the 1970s, they also leave to avoid the violence of rural terrorist groups, such as the Shining Path (*Sendero Luminoso*), a movement which fortunately does not exist in Indonesia.

Public policy in both countries toward the newcomers has been generally hostile. There are many causes, relating to race, ethnicity, and economics. Administrations have alternately employed a variety of techniques to prohibit, control, and expel them. In Peru, in the 1930s, efforts were made to ban cheap apartments and pass legislation prohibiting migration. In the 1960s, President Fernando Belaunde Terry, an architect, sought to redirect migration through development of secondary cities that he called regional growth poles (*polos regionales*), a step short of transmigration. In Indonesia, transmigration has also been used to dissuade would-be urban migrants and vagrants from coming to Jakarta or staying. Volunteers receive training, funds, passage, and land in return for going to less densely inhabited parts of the archipelago, primarily Sumatra, Sulawesi, and Irian Jaya.

Faced with an inhospitable public policy, migrants are forced to fend for themselves, and this has led to the creation of substantial and productive informal sectors. Investigation in Peru shows just how productive. By 1982, 48% of the economically active population of Lima was employed in the informal sector and that it contributed 38.9% of the GDP. Of all housing in Lima that year, 42.6% was in the informal sector and 47% of the population lived in informal settlements.

The investigation further showed that the migrants have benefited society at large, by increasing wealth and land values, and by making expenditures on their homes. Their contribution can be seen in comparison with that of the state. During the same period, government expenditures were only \$173.6 million, or 2.1% of the informal investment.

In Indonesia, land has also been a source of contention between the state and the poor. There are claims that property rights are hard to acquire -- that the process is long and complicated. There have been charges that developers and officials have expropriated land, sometimes without making adequate recompense. The negative attitudes of some officials toward squatters are apparent when the Governor of Jakarta states that the government will not tolerate illegal occupation of the land and the Minister of Transport encourages businessmen to develop vacant land alongside railroad tracks already occupied by squatters.

The informal sector cannot enter the formal sector because the costs are too high and the procedure too time consuming. Investigations reveal that opening a formal market requires permission from three government agencies. Starting a bus route entails a seventeen month wait. De Soto attempted to establish a fictitious clothing factory legally, using no go-betweens, bribes, or middlemen. Despite his determination to do things honestly and go through proper channels, he ended up paying two of the ten bribes demanded, needed two hundred and eighty-nine days to comply with the eleven requirements, and waited for ten months for official approval. The loss in pay for the time occupied with bureaucratic procedures was \$1,231, or thirty-two times the monthly

minimum wage. The procedure was obviously too time consuming and expensive for persons with modest means. Subsequent investigation revealed that obtaining legal housing was even more expensive. Although the process was exhausting, it was not rigorous the authorities never discovered that the transaction was a simulation!

Staying formal is also expensive. If industries were freed from the direct expenses related to staying formal, potential investment capital could more than quadruple and employees would have 40 per cent more disposable time.

Informality is not an ideal solution. Informals are always afraid of being punished by the authorities and susceptible to extortion (10-15% of their gross income vs 1% for formals). They are limited in their ability to expand businesses due to lack of advertising and capital. They are reluctant to invest in infrastructure and sanitation because they lack property rights to their homes and businesses. They have trouble transferring property, are obliged to cultivate relationships, and pay disproportionately large sums to defend their possessions because they cannot obtain contracts.

Informality has negative consequences for the entire economy. It results in lower productivity, reduced investments, an inefficient and inequitable tax system and utility rates, and limited technological progress. The economy and society could be helped through emphasis on the creation of wealth rather than its redistribution. Both would benefit if the bureaucracy and legal system were streamlined.

By the conclusion of the Alan Garcia Administration in Peru, the level of public dissatisfaction with the government and eco-

nomy had become quite pronounced. As a result, when the successor government of Alberto Fujimori undertook some of De Soto suggestions many Peruvians were receptive. However, in early April 1992, Fujimori suspended the constitution, shut down Congress, and began to rule by decree. Rather than reforming the system, he up-

rooted it, and judging by public response, few tears were shed.

De Soto's ideas were not fully implemented in Peru nor given the opportunity to succeed. However, this book deserves close scrutiny by everyone involved with economic development and social justice.

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